



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

THE ANCIENTS RECOGNIZED THE PASSAGE of time by watching the heavens. They saw the consistent movement of the sun, moon & stars, giving them faith in the stability of the unknown universe they saw about them. They watched the moon wax & wane over 29 sunrises & sunsets, disappearing yet returning to full. As the days got shorter & cold weather approached, they knew longer days of sunshine & warmth would return after a certain number of sunrises & sunsets. They looked at the stars & saw the patterns of movement; beginning on some level to understand their place in the vastness of the universe. But instead of watching in wonder, they invented the daily to-do list!

CALENDARS: The first known calendars, found in Scotland & Australia, are between 10,000 to 11,000 years old. They appear to be based on a lunar cycle of approximately 29 days. While some civilizations' calendars revolved around holidays or events, for most of the world, from ancient times into the Roman Empire, calendars were based on the lunar cycle. In 45 B.C., as the charting of the lunar cycle became more exact, Julius Caesar proposed a new calendar that more precisely divided the year into 12 months, totaling 365 to 366 days. The Julian Calendar replaced the old calendar, which was 354 days long & then required the insertion of extra days between February & March to 'catch up', sometimes making a year 377 days long! The Julian calendar was fairly accurate, averaging 365.25 days per year with just a leap day inserted every 4 years. The Julian calendar was used for the next 16 centuries. But in the 16th century, the 'drift' of the calendar caused important Christian holidays, especially Easter, to fall before other solar events, such as the winter solstice & spring equinox. These holy days were falling outside the standard ecumenical calendar. In 1582, Pope Gregory XIII, a proponent of the arts & sciences (including the newly founded Society of Jesus, the Jesuits following St. Ignatius of Loyola, so important in this writer's education), was well aware that lunar & solar tracking had become more precise. He proposed the Gregorian calendar, which was adopted by most of the world, reducing the average days per year from 365.25 to 365.2425, with a 400-year leap year cycle. Calendars mark time, but not the moments of our life - the joy, happiness, love, grief & inspiration that fuels our inner souls. From H.G. Wells, "*We must not allow the clock & the calendar to blind us to the fact that each moment of life is a miracle & mystery.*" Prime Minister Benjamin Disraeli similarly expressed, "*But what minutes! Count them by sensation & not by calendars; each moment is a day.*" Golden Age comedian Ed Wynn knew the importance of each day, each moment, saying, "*I've found a formula for avoiding these exaggerated fears of age; you take care of every day - let the calendar take care of the years.*" So readers, live each of the 365.2425 days of the year to their fullest! *One way to do that?* With this, the 365th issue of **ALL EARS!!**, you can now read one-a-day for the next year!

INDUSTRY NEWS: *Faire*, online marketplace for retailers & brands, closed on \$260M, bringing its total capital raise to almost \$700M. The round was led by *Sequoia Capital*. *Motif FoodWorks* raised \$226M co-led by investment management company *BlackRock* & *Ontario Teachers' Pension Plan Board*. *Rind*, skin-on dried fruit snacks, closed on a \$6.1M series A round led by *Valor Siren Ventures*, with *Melitas Ventures* participating. *JuneShine*, a hard kombucha brewery, closed a Series A funding round with *Litani Ventures* & *Amberstone Ventures* involved. *Serenity Kids*, shelf-stable baby & toddler food, closed on \$7M led by *CircleUp Growth Partners*. Hawaii-based *Blu Oceans Barns*, producer of red seaweed, raised \$5M in seed funding led by *Valor Siren Ventures*. *Change Foods*, fermentation for animal-free cheese, closed on \$2.1M from *Plug & Play Ventures*, *Clear Current Capital*, *Canaccord Genuity*, *Better Bite Ventures* & others. *Walmart* made an investment in *DroneUp*, with whom the retailer has been piloting. Delivery/fulfillment platform *Bringg* raised \$100M at a \$1B valuation led by *Insight Partners*. *TerraClear*, farmland rock clearing technology, closed on \$25M led by existing investor *Madrona Venture Group*. Mexico's *99 minutos*, last-mile delivery service, raised \$40M led by *Prosus* & *Kaszek Ventures*. *Gopuff* acquired *rideOS*, routing,

dispatch & fleet optimization technology, terms not disclosed. *GenTech Holdings* acquired keto-friendly *NXTBAR*. *Kraft Heinz* will purchase Turkey's *Assan Foods* (condiments & sauces) from *Kibar Holdings* for approximately \$100M. *Innovations in Nutrition + Wellness*, custom R&D, manufacturing & marketing for nutrition companies, acquired manufacturer *Capstone Nutrition*. *Symrise AG* may sell its natural food coloring activities, (80 employees & 2 production facilities located in France & U.K.) to *Oterra*, formerly known as *Chr. Hansen Natural Colors*. Grain-trading platform *Bushel* acquired *FarmLogs*, a farm management app aimed at row crop operations. The two companies are now connecting the on-farm management data for 40% of the grain originating in the USA. *Danone* sold *Vega* to PE firm *WM Partners*. U.K.'s *Reckitt Benckiser Group* will sell its Chinese infant formula & child nutrition business to investment firm *Primavera Capital Group* for \$2.2B. *Livekindly Collective* will acquire *The Dutch Weed Burger*, an Amsterdam plant-based maker of meat alternatives from seaweed. *Flower Foods* acquired *Koffee Kup Bakery* out of bankruptcy. *Kearney* forecasts more merger, acquisition, & divestiture activity in 2021 as 1st QTR activity was up 40% from a year ago. Activity for the 1st QTR totaled \$58M. Bulk-products eCommerce retailer *Boxed.com* will go public in \$900M merger offer with a SPAC, *Seven Oaks Acquisition Corp*. *Local Bounti*, indoor agriculture & delivery startup, will go public in a \$1.1B merger with blank-check firm *Leo Holdings III Corp*, who raised \$125M from investors including *Cargill*, *BNP Paribas* & *Fidelity Management*. *All Market (Vita Coco, Runa, Ever & Ever)* is looking at a \$2B IPO. *Flagship Pioneering* has closed its seventh fund at \$3.4B, bringing its total assets under management to over \$14B.

Kroger announced 1st QTR earnings that beat analyst expectations & raised their full-year EPS guidance; strong private label & digital sales driving results. *Walgreens'* products are now available for delivery from almost 8K stores with *Uber Eats*. The *Giant Company* will roll out its *Falshfood* app, access to products close to expiration date, across its base. *Amazon* is reportedly looking at grocery self-distribution. Also, the company will begin to open full size *Amazon Fresh* stores featuring checkoutless technology. *Walmart & Amazon* have tapped *CommercialIQ's* AI data-use platform to reduce supplier revenue leakage & out-of-stocks, boost incremental & localized sales & deliver profitable growth. *UNFI* will partner with food & beverage data platform *Crisp* to allow CPG brands to access supply chain status data. *Cooler Screens*, digital screens for refrigerator & freezer doors with product inventory & ads, will move past its *Walgreens* pilot to begin rolling out nationwide. In South Carolina, *Gallo* will invest \$423M to build a new production & distribution facility. *Pepsi's Frito-Lay's* will spend \$200M to expand its Rosenberg, TX facility, creating 160 jobs & adding manufacturing lines for *Funyuns* & tortilla chips. *Chobani* will launch a no-sugar yogurt nationwide. *Uncle Matt's Organic* will now offer functional shots, labeled *Ultimate Shots*. *GroceryShop* will return to an in-person event in Las Vegas this September. *Nature's Fynd* received GRAS approval for its fungi protein. *Rise Brewing* filed a trademark infringement lawsuit against *PepsiCo* over its *RISE Energy Drink*.

Per *FMI/Hartmann Group*, retail sales will continue to hold an edge over foodservice sales. However, mass merchants are taking market share from traditional grocers. From the *Natural Grocers Association*, independent grocers have almost doubled in sales in the past 8 years, reaching 33% of total grocery sales. From a recent *Supermarket News* survey, retailers expect growth in the fresh categories to continue. The *IFIC* surveyed 1,000 consumers & found 67% are paying more attention to ingredient lists on foods & beverages & 40% identify themselves as clean-eaters. A recent worldwide study from *Kerry* suggests almost all consumers are drawn to botanical flavors & ingredients, for both taste & health reasons. Per *Cargill*, 33% of people increased their chocolate consumption in the past year; seeing it as a nutritional, mood-changing & energizing snack. Researchers at *Maastricht University* found mealworm protein has many of the same attributes as milk protein.

MARKET NEWS: Markets tanked this week as investors digested economic risk. The producer price index, which measures inflation pressure before it reaches consumers, rose 0.8% in May for an annual gain of 6.6%, a record. The FED indicated interest rates may be raised earlier than expected, harkening the 1970s inflation/interest rate nightmare. The G7 agreed to explore a 15% multinational global tax, designed to transfer the wealth of hard-working American Citizens to foreign entities.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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