



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**I'M THANKFUL FOR STAN MUSIAL.** Not because Musial retired near the top of every Major League batting category. Or, that his Donora, PA work-every-day attitude helped him set a National League consecutive games played record. Or that, with his workman's approach, he retired second in all-time hits, collecting exactly 1,815 hits at home & 1,815 hits on the road. Musial was a Cardinal from 1941 to 1963, Pearl Harbor to Kennedy's assassination, when the Greatest Generation fulfilled the promise of America's Greatness. Musial stands as a symbol of that Greatness, Americans who used their talents, skills & character, overcame challenges & achieved Greatness!

**MUSIAL, MUSIC AND ANGELS:** I was too young to see *Stan the Man* play the game. But as a young man on a business trip to St. Louis, I braved the January cold to see his statue at the entrance of old Busch Stadium: at bat in his peek-a-boo, over-the-shoulder batting stance. Musial was a member of my parents' generation & I am thankful for my parents. No, mine was not some idyllic upbringing; indeed, far from it. But my parents gave me values that helped me be who I am & contributed to any success I have achieved. But more than anything else, I am thankful they exposed me to their own upbringing, their stories & those of their parents, offering me an understanding of my roots; where & what I come from. Regular readers know I watched old movies with my dad, the movies he enjoyed. That led me to read the literature & history & listen to the music - the big band & jazz music of their generation, known in part as the Great American Songbook. Among the songwriters of the era was Johnny Mercer, born November 18, 1909. Mercer's upbringing was idyllic, born into a prominent family of Savannah, GA. But he had the same work-every-day values as Musial, sweeping floors at Savannah's famous *Leopold's Ice Cream Shop*. He had friends who were black, attended church with them & hung around the docks where their fathers worked. He was inspired by the blues, jazz & gospel music he heard. His planned entrance to Princeton, a Mercer family legacy, collapsed with his father's business. Mercer headed to the booming Harlem blues & jazz scene of the Roaring Twenties. Applying a work-every-day attitude, within a decade, Mercer entered the cavalcade of Tin Pan Alley songwriters, accepted among the brethren of Gershwin & Berlin. Mercer has a long hit list, as composer, lyricist & singer. His songs were recorded by all the musical legends: Crosby, Sinatra, Garland, Armstrong, Fitzgerald, Presley & all the Big Bands! He was nominated for 19 Oscars, won four statues & founded Capital Records with Buddy De Sylva. Among the songs he wrote are classics of the boogie-woogie era, such as *Goody Goody*, *GI Jive* & *Jeepers Creepers*. He penned fun, whimsical songs like *Ac-Cent-Tchu-Ate the Positive*, *Hooray for Hollywood*, *You Must Have Been a Beautiful Baby*, *Glow-Worm* & *I'm an Old Cowhand (From the Rio Grande)*. He wrote one of the go-to 'our songs' of that era, played at many weddings, *I Promise You*. His movie hits include *On the Atchison, Topeka & the Santa Fe*, *Days of Wine & Roses*, & *Moon River*. And while most can sing the opening lyrics 'My mama done told me', few know Johnny Mercer wrote *Blues in the Night*. Among his many ballads are *Autumn Leaves*, *That Old Black Magic*, *Satin Doll*, *Too Marvelous for Words*, *One for My Baby (& One More for the Road)* & *Fools Rush In (Where Angels Fear to Tread)*. Among his songs, one hardly known today, is a ballad he wrote to music written by the great jazz trumpeter, Ziggy Elman & recorded by the Goodman & Miller bands. As a youngster, it was perhaps a somewhat meaningless tune; but with age, searching for that special someone, the song began to mean more. Then you finally meet someone, she speaks & there is a smile. With each, you're not sure, but you swear you hear the angels sing the sweetest song you ever heard. Finally, you kiss, *And the Angels Sing* & leave their music ringing in your heart, forever & for that, I am truly thankful!

**INDUSTRY NEWS:** *Clio Snacks*, refrigerated Greek yogurt bars, completed a raise with *Alliance Consumer Growth* & celebrity athletes. Australian cultivated meat maker *Vow* closed a \$49.2M Series A round, co-led by *Blackbird* & *Prosperity7 Ventures*, with participants *Toyota Ventures*, *Square Peg Capital*, *Peakbridge* & *Tenacious Ventures*.

*Peptide Bio* raised \$1.2M in a pre-seed round for its biofungicides from *Danforth Technology Company*, *St Louis Arch Angels*, *BioGenerator Ventures* & *QRM Capital*. Gut health food brand, *Bio&Me*, secured a £1.6M investment from *Giles Brook* & existing investors. Craft seltzer startup *Something & Nothing* raised £2.5 million from *ACV Investors* & *Rianta Capital*. South American ghost kitchen operator *Muncher* received \$27M led by *Glisco Partners*. *Ordergroove*, a subscription discount service for brands & retailers, raised more than \$100M led by *Primus Capital*, with *National Securities*, *Lerer Hippeau*, *OurCrowd*, *Western Technology* & *Level Equity*. *Tyson Ventures* led a \$26M round for robotic picking machine maker *Soft Robotics*. *Butter*, digitized supply chain platform for food distributors selling to restaurants & retailers, raised \$9M led by *Gradient Ventures*. *Freight Farms* raised \$17.5M for its container vertical farming operation led by *Aliaxis SA* & *Ospraie Ag Science*. *FarmX* acquired mobile robotics navigation platform *AutoModality*. *Teton Waters Ranch* & *SunFed Ranch* will merge to become *Grass Fed Foods*, with \$100M in sales. *American Beverage Corp.* acquired children's lemonade brand *Poppilu*, terms not disclosed. *Butlers Farmhouse Cheeses* purchased *Parlick*, a maker of sheep's milk cheese, from *Singletons & Co.* for an undisclosed amount. *LA Libations* has taken a significant minority investment in *HiTouch Distribution*, which will be rebranded *HiTouch Libations*. From the *Wall Street Journal*, *Southeastern Grocers* is considering a sale.

*Walmart* had a positive 3<sup>rd</sup> QTR beating adjusted EPS estimates; all metrics moved upward. *Target* saw a large drop in 3<sup>rd</sup> QTR income on a small sales improvement; the company reduced its holiday outlook & announced a \$3B cost cutting initiative due to the tightening grip of this economic disaster. Despite margin pressures due to supply chain issues, *BJ's Club* reported a strong 3<sup>rd</sup> QTR & will amp up expansion. *Loblaws*' 3<sup>rd</sup> QTR revenue increased 8.3% & operating income rose 14.8%. *Boxed* reported an 8.9% revenue gain in 3<sup>rd</sup> QTR but its net loss expanded more than 4X. *Kalera's* management feels the company is ahead of projections as revenue increased in 3<sup>rd</sup> QTR while posting a net loss of \$1.1M. *Aramark* closed their fiscal year with record revenue on a strong 4<sup>th</sup> QTR. After a \$108M loss in 3<sup>rd</sup> QTR, *Oatly* will reduce expenses by 25%, primarily through headcount reduction. Supply chain issues for *Tate & Lyle* resulted in an 8% decrease in volume but price increases raised revenue 20%, with adjusted profit up 10%. Despite a variety of setbacks, including a failed acquisition effort, *Flower Foods* presented an upbeat 3<sup>rd</sup> QTR report. *SunOpta* reported increased 3<sup>rd</sup> QTR revenue & earnings as oat milk surpassed almond milk sales for the first time. *Alkaline88* reported record 2<sup>nd</sup> QTR revenue. *Dole* increased 3<sup>rd</sup> QTR income that beat expectations although revenue missed estimates. plans. Three recent price increases didn't help net income at *J&J Snacks* which dropped as revenue increased. *Krispy Kreme* reported a \$13.1M loss for 3<sup>rd</sup> QTR with a 10% sales increase. Net income was down 50% in the 4<sup>th</sup> QTR at *Starbucks*, though Gen Z drove revenue higher.

*Kroger* is promising consumers a Thanksgiving meal for 10 for as little as \$5 per person. *Bel Group* will partner with France's *Standing Ovation* on an animal free cheese that features *Standing Ovation's* casein milk protein. *Hershey* is adding a 250K sq. ft. chocolate factory in, of course, Hershey PA. *Pernod Ricard* will invest \$22M in its first RTD canning production line. *PepsiCo Foodservice's Digital Lab* will offer customers the ability to leverage its resources to operate ghost kitchens. *Future Meat* rebranded as *Believer* as it near its entry to the USA market. *Infarm* reports they are growing wheat on an indoor farm without soil. *Upside Foods'* cultivated chicken was deemed safe to eat by the FDA. *J&J Snacks* may take *Dippin' Dots* into retail. *Clif Bar* donated \$1M to Tuskegee University for organic farming research. A class action suit was filed against *Before Brands' SpoonfulOne* for mislabeled ingredients. Kevin Holt, CEO of *Ahold Delhaize USA*, will step down next year to be replaced by JJ Fleeman, leader of *Peapod Digital Labs* & the company's digital eCommerce. R.J. Sheedy, currently the *Grocery Outlet's* president, will add the CEO title with plans to take the store to 5K locations.

Per *Brick Meets Click/Mercatus*, online shopping purchases declined 3% in October YOY. *Mastercard SpendPulse* forecasts a 15% retail sales uptick for Black Friday.

**MARKET NEWS:** Markets were lower. October retail sales fell 5% YOY despite massive inflation. The Fed indicated its inflationary reduction measures are failing to keep inflation in check.

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

THE LITCHFIELD FUND – *Tom Malenka*

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