



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



IT WAS MY FIRST TRIP to the city of Brotherly Love. After a day of meetings, I met a friend for dinner, who was studying at the Wharton School of Business. After dinner, we toured the city's sites. Independence Hall was the first stop, an almost religious experience for me. Then the Clothespin, by the same sculptor as Cleveland's Free Stamp. As it was December in the early 1980s, Wanamaker's was still in business. We stopped to see the famous indoor Christmas light display! There was just one stop left for the evening – The Museum of Art. I was in my suit, an overcoat & Florsheim's. I stared at the 72 steps. I knew, despite being young & healthy, I would need to focus!

FOCUS II: I took one last deep breath of the cold December air. Then I sprinted forward. I hit the stairs, trying to take 2 or three steps at a time. Focus. Get into a rhythm. Don't stop. Don't slip. Don't catch a toe & fall forward, shattering my jaw & teeth. And there I was at the top! I turned, raised my arms & ran in place, looking back on the lights of the city! Of course, we all know the story of Rocky Balboa, the lovable loser & slob with no focus. Boxing for pennies, sometime enforcer for a loan shark, no friends except his fish Moby Dick & his turtles, Cuff & Link. But when he gets the chance to fight the champ, he gets focused. He goes into training, both mentally & physically. He heeds crusty Mickey's warning about Adrian. He becomes totally obsessed on one objective – to beat Apollo Creed! Focus is needed to succeed at anything. Focus is needed to become great at anything. But focus is more than just vision, more than setting priorities, more than just the drive to work hard. Focus, as a noun & verb, implies a single-minded will to accomplish an end vision. Who would be described as having focus? General George Patton, Admiral Bull Halsey, Roger Bannister, Charles Lindbergh, Sir Edmund Hillary, John Adams, Lech Walesa, Aleksandr Solzhenitsyn, Joan of Arc & Mother Teresa come to mind. Of course, it is easy to lose one's focus. Besides the daily process of living, there are temptations & traps that draw attention away from moving toward an end vision ([ALL EARS!! 02/26/22](#)). We may ease our egos by crediting luck, good fortune or happenstance for someone else's success, only because it is difficult to assess how another's focus helped them achieve that success. And while pinpointing a person's focus as the reason for driving their success is difficult, we can certainly see the result of a lack of focus. A family should be focused on faith, love, support & growth. Losing focus can result in selfishness, broken families &, nicely put, children not achieving their potential. A business should be focused on satisfying consumers & providing stakeholders with an expected return. But when businesses focus on social statements & do not hire based on qualifications, they not only can fail, they can fail historically! Sports teams & athletes, who should all share Al Davis's focus ("Just win, baby!"), fall into the trap of proselytizing only then to lose the game. The government's focus is actually very straightforward: national & domestic security; fiscal responsibility & protecting individual rights & freedoms. But when a government weakens the USA's international standing, opens our borders & refuses to enforce the law; when they spend money on unproven pseudo-scientific mantras & suppress the supply of our own natural resources; when the government engages in social reengineering & attempts to mandate & criminalize speech, thought & religion, not only does general chaos result, but financial systems fail; personal wealth erodes; crime, homelessness & drug use rise & life is essentially viewed as cheap. Families, businesses & the government should heed Epictetus, "Keep your attention focused entirely on what is truly your own concern, & be clear that what belongs to others is their business & none of yours." Charles Pratt, 1st Earl Camden, 18th century judge & lawyer, concurs, "It is not good to have an oar in everyone's boat." Every self-help guru will tell us to focus to achieve success, but Santayana tells us why: "The human mind is not rich enough to drive many horses abreast & wants one general scheme, under which it strives to bring everything." Patton provides guidance on how to avoid distractions, "Achievers are resolute in their goals & driven by determination. Discouragement is temporary, obstacles are overcome, & doubt is defeated, yielding to personal victory. You need to overcome the tug of people against you as you reach for high goals. Accept the challenges, so that you may feel the exhilaration of victory." Josh Billings, 19th century American humorist gives simple advice for staying focused, "Be like a postage stamp. Stick to one thing until you get there." To focus on any success, your aim must be true & you must give it your all; as Thoreau penned, "If the work is high & far, You must not only aim aright, But draw the bow with all your might."

INDUSTRY NEWS: Meatable raised \$35M led by Agronomics with BlueYard, Bridford, MilkyWay, DSM Venturing & others. Bactolife raised €30M in a Series A to develop gut microbiome-strengthening proteins; ATHOS led the round. KetoSwiss raised €4.4M to develop medical nutrition products to address migraines & associated neurological disorders. BeerMate raised €1.4M from a number of investors for its automatic beer serving machines using fresh barley, hops, yeast & water to tap international

expansion plans into the USA. *MiAlgae* raised an undisclosed amount from the *Investbridge AgriTech* fund to make omega-3s from microalgae. Irrigation management startup *GroGuru* closed on \$2.3M led by *Cove Fund & Impact Venture Capital*. *Fieldwork Robotics*, raspberry picking robots named *Alpha*, raised £1.5M from *Elbow Beach Capital & others* to expand to more farms. Irrigation systems company *Lindsay* acquired precision irrigation startup *FieldWise*; financial terms were not disclosed. Fast casual restaurant chain *Urban Plates* raised \$27M through *Morgan Stanley Expansion Capital*. *Campbell Soup* will acquire *Rao's* maker *Sovos Brands* for \$2.7B. Asian food band *Nona Lim* was acquired by Hong Kong's *DayDayCook* & will operate as a standalone business. *Serious Sweets* purchased allergen free sweets brand *Nom Bites*. Cannabis company *Tilray Brands* will purchase 9 brands from *Anheuser Busch*; *Tilray* will become the 5th largest USA craft beer, up from 9th place. *Molson Coors* acquired bourbon distiller *Blue Run Spirits*; terms not disclosed. *Coca-Cola Europacific Partners* entered a joint venture with *Aboitiz Equity Ventures* to purchase *Coca-Cola Philippines* from the *Coca-Cola* for \$1.8B. *Lion Equity Partners* acquired supplement company *Country Life*. *Save a Lot* licensed its last 18 company stores to *Leavers Supermarkets*. *Authentic Restaurant Brands* (operator of the iconic *Primanti Bros.*) bought fast casual restaurant chain *Pollo Tropical* from *Fiesta Restaurant Group* for \$225M. Former director at *Danone Manifesto Ventures*, Jacob Afriat, is launching *Great Circle Ventures*, to invest in early-stage companies innovating in food, health & sustainability.

Weis Markets reported a mixed 2nd QTR with sales higher & income down. *Ingles Market* had a down 3rd QTR as higher expenses impacted net income. *Ahold Delhaize* posted across the board gains in its USA 2nd QTR. *Grocery Outlet* recorded sales of over \$1B for the first time ever in an all-around positive 2nd QTR. Net sales fell at *B&G Foods*, though net income was positive; the company will reduce *Criso* prices as sales fell. *Post* posted a good 2nd QTR as their recent acquisition of *Smucker's* pet food business booted results. *Treehouse Foods* scored a strong 2nd QTR driven by its private label business. *Tyson* recorded a 2nd QTR loss, led by the chicken segment; *Tyson* plans more plant closures as chicken sales slow, losing 1700 jobs. *Monster* beat 2nd QTR earnings estimates with a slight revenue miss; the company will cut some *Bang Energy* products. *Beyond Meat's* 2nd QTR revenue fell more than 30% as demand for plant-based meat fell, the company lowered future guidance & the stock price fell more than 10%. *Laird Superfoods* reported lower sales in 2nd QTR & a \$3.5M loss. Indoor farm *Edible Garden* saw a record 41% 2nd QTR sales growth with a \$638K loss. Plant-based proteins & low-carb offerings drove a strong 2nd QTR at *MGPI*. *IFF* will discontinue certain functional ingredients after the category's 2nd QTR performance weighed heavily on sales & income. Revenue & income were lower at *Papa John's* in 2nd QTR as franchise locations did not perform as well as company locations. *Burger King & Tim Hortons'* growth helped *Restaurant Brands International* surpass 2nd QTR earnings.

Giant Eagle will lock prices on 1,000 items through November 11. *Rouse's* will open its first store with a drive through. A judge dismissed a consumer antitrust lawsuit opposing the *Kroger/Albertsons* merger. *Amazon* is planning a *Prime Days* type sale in October. Also, *Amazon* will offer nationwide delivery of over 600 *Whole Foods'* 365 products. *Foxtrot* will use *KeHE* as its primary distributor for natural, organic & specialty products. *Gopuff* has reduced prices an average of 30% on 100-plus top-selling essentials for subscribers. *Smithfield Foods* will close 35 hog farm sites in Missouri. *CellX* completed its first pilot factory for cultivated meat with plans to apply for regulatory approval in Singapore & the USA, with the aim to launch by 2025. *QDOBA* will add 40 new restaurants this year. Precision pollination startup *BeeHero* launched a new pollination insights platform to help growers monitor bee activity outside the hive to optimize pollination for orchards, almonds & other crops. Cultivated seafood maker *Umami Meats* rebranded to *Umami Bioworks*. Alt-palm oil maker *Clean Food Group* will partner with Latin America foodtech company *Alianza* to bring cost-competitive oil & fat alternatives to market. Biotech company *Novozymes & Arla Foods Ingredients* will partner to produce proteins via fermentation to make medical nutrition products at an industrial scale. *Pairwise* has partnered with national retail broker *RSquared Fresh Solutions* to bring the first *CRISPR* gene-edited products in America, in the western USA. *NotCo* will exit the refrigerated plant-based milk segment to focus on the shelf-stable segment. From *NIQ & Bump Williams*, *Modelo*, having bested *Bud Lite* in sales since April, will surpass the failed brand in total beer sales for the full year. *Kellogg* is facing lawsuits concerning its hiring & training processes. New York City is looking to remove gas powered ice cream trucks from its streets.

Food inflation remained out of control at 4.9%; the price of bread was up almost 10% & apples 8%! The USA online grocery market was down 7.0% YOY in July as order volume & frequency both declined, per *Brick Meets Click/Mercatus*. Overall sales of prepared seafood items at delis grew 4.7% for the year ending May 23, according to *Nielsen & Category Partners*. Dry weather & heat are impacting beet & cane sugar volume. Avocado prices are at a 10-year high.

MARKET NEWS: Stocks fell when *Moody's* downgraded banks; an outcome of this administration losing focus! Markets were mixed for the week. Core CPI was an outrageous 4.7% higher YOY.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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