



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



THE VALUE PROPOSITION! It is important to properly define your enterprise's value proposition or statement. This statement will answer, for your customers, clients or even your investors, the question: "What's in it for me?" But the value proposition should do more than that! It must convey your business practices, your beliefs, mission & ethics. These business practices, along with the attitude you carry with you every day, tells your customers, employees & business partners a great deal about who you are, your values & your business ethics. From Elvis Presley we hear, "Values are like fingerprints. Nobody's are the same, but you leave 'em all over everything you do."

A VALUES PROPOSITION: Values reflect the things from our past, upbringing, interactions & learnings that we find important enough to deposit permanently, under lock & key, inside our heart & soul to carry with us as we approach the world. These values also define the qualities & beliefs we find admirable in others. We often hear from folks that we exhibit Midwest values. But do values, those core values will carry deep inside us, differ because of where or how we grew up? As humans & in some cases, as Americans, don't we share some common core values? Don't we all want to love & to be loved by that one special, amazing someone? Don't we all want to find warmth & solace in the love & caring embrace of family & friends? Are we not all trying to find & work hard at an endeavor, job, business or mission that we enjoy doing, that we are good at & that we find to be intrinsically & extrinsically rewarding? Don't we all try to approach the world with kindness & care & do we not admire those who approach us the same way? Don't we all try to help our friends, neighbors, community, churches, synagogues & many others if & when it is within our capabilities? Don't we all want to live in safe, law-abiding neighborhoods, knowing our children can learn, play & grow without fear? And finally, as Americans, don't we all value those sacred God-given rights protected by our birth & citizenship, to live, speak, write, work, worship, care & protect our families as we believe & in the way that is best for us? And as humans, don't we all value the giggle of an infant, the wag of a puppy's tail & the beauty & promise a spring blossom? In a world constantly trying to drive us apart by exploiting our differences, should we not look to these values to bring us together? The Dalai Lama tells us, "Wherever I go meeting the public, spreading a message of human values; spreading a message of harmony is the most important thing." Albert Einstein wisely reminds us, "Try not to become a man of success, but a man of value. Look around at how people want to get more out of life than they put in. A man of value will give more than he receives. Be creative, but make sure that what you create is not a curse for mankind."

INDUSTRY NEWS: LiveKindly Collective raised \$135M led by Blue Horizon, with Trustbridge Partners, EQT & Griffith Foods involved. GoPuff, a delivery startup for C-store buyers, raised \$380M with Accel, D1 Capital Partners, Luxor Capital & SoftBank Vision Fund. Shogun, a web platform for brands to build websites on top of eCommerce back-ends (like Shopify) raised \$35M from several investors. Softbank & Driscoll's will make a \$140M investment in vertical farm Plenty Unlimited & Driscoll's will partner to grow its strawberries year-round in Plenty's indoor farms. N*GEN Partners will raise up to \$125M in an IPO for a SPAC, Better World Acquisition Corp., for acquisition. SpartanNash has given Amazon the right to purchase up to 5.44M shares, about 15% of the company.

PepsiCo posted 3rd QTR sales & income increases of 5.3% & 9% respectively. *Conagra* beat 1st QTR expectations with net sales up 12.1% & net income up 86.1%. *Britain's Compass Group*, the largest USA foodservice contractor, reported a 19% drop in full year 2020 revenue & took a £100M charge-off. *Domino's* 17.5% same-store growth drove 3rd QTR sales up 14% & income up 21.5%.

Caper debuted a small-store automatic checkout unit, that can be deployed without store modifications, based on its smart-cart technology. *Schnuck Markets* will use *Tennant* robotic scrubbers, with software from *Brain Corp*, to clean its floors. *Shipt* & *Instacart* will begin *Bed, Bath & Beyond* delivery. *Instacart* has expanded to include *Sephora* for same-day delivery. *Albertsons' Acme Markets* won a \$96.4M bid for 27 *Kings Food Market* & *Balducci's* locations. *Southeastern Grocers* will begin to reopen their eight recently acquired Florida *Earth Fare* & *Lucky's Market* stores under their *Winn-Dixie* banner. *Earth Fare* has opened 13 stores since closing all locations in bankruptcy earlier this year. *Whole Foods* opened an *Ideal Market* store in Denver, its second since purchasing the market in 2007. *Rite Aid* agreed to pay \$95M to acquire *Bartell Drugs*, a family-owned pharmacy in Seattle. *Dollar General* launched a new concept store, *Popsheff*, focused on seasonal, home décor, beauty products, cleaning supplies & party goods. *Aldi* will open a 25K sq. ft. store in Philadelphia, 50% larger than its other USA stores. *Ahold Delhaize* will begin self-distribution from 6 new facilities in 2021. *KeHe* opened a new Maryland distribution center to serve the mid-Atlantic area. *Kroger* will add 50 products & by the end of 2020 will have more than 75 *Simple Truth Plant Based* products including foods, beverages, non-dairy cheeses, oat milk ice cream & almond milk yogurts. *Bolthouse* will launch plant based *Wunderroots*, featuring *Carrot Hot Dogs*, *Carrot Fettuccine* kits & *Riced Carrot*. *IncuBev*, a multi-phase go-to-market solution for beverage brands, launched in a partnership with *Symrise*, *Califormulations*, *Haney Packaging Technologies* & *Inspection*. *Pilgrim's Pride* entered a plea agreement with the DOJ to settle price-fixing charges for \$110.5M.

From several studies, slightly more than 50% of consumers are pantry-loading for the winter months. From *Lending Tree*, consumers now spend \$190 per week on groceries (up 17% from \$163 earlier this year) with 25% of consumers making fewer shopping trips. A *Harris* poll shows across the board increases in consumer purchases of snacks & prepared meals, including better-for-you options which consumers are now surprised to find at C-stores & D-stores. Per *Nielsen*, YOY grocery prices are up 3.5%, driven by store promotions & purchases made on promotion dropping about 20%. Per the investment bank *Cowen*, *Instacart* has moved ahead of *Target* & *Kroger* to claim 3rd place in on-line groceries, behind *Walmart* & *Amazon*. *Ipsos* rated *Aldi*, *H-E-B*, *Kroger*, *Target*, *Sam's Club*, *Walmart* & *Whole Foods Market* tops in grocery eCommerce. Research from *Streetbees* shows a 10% increase in parents packing lunches for school bound children, trying to keep a focus on healthy eating. From *Deloitte*, 90% of consumers said that fresh food literally makes them happy. From UCSD School of Medicine & reported in the *Journal of the American Geriatrics Society*, older adults are using CBD to treat pain, sleep disturbances, anxiety & depression & 61% started after age 60. A study reported in *JAMA* indicates a significant increase in college students abstaining from alcohol, but unfortunately, there is an increase in abuse or misuse of other substances besides alcohol & marijuana.

MARKET NEWS: Markets rose as the Philly FED's manufacturing index rocketed to 32.3 in October from 15, citing widespread optimism & defying the economic experts who had expected the index to slide to 13.5. Not surprisingly, September retail sales were 2.5X higher than those experts again predicted.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenjo*

V7issue18.10.17.20

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