



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



MARY FRANCIS won the Miss Burbank beauty contest at age 16. Just 4 years & 5 minor movie roles later, she was matching dance steps & voices with two of America's greatest song & dance men, Gene Kelly & Donald O'Connor. Ten days after her 20th birthday, *Singin' in the Rain* – the greatest movie musical of all time – was released, giving birth to a powerhouse of a star, a little dynamo the studio named Debbie Reynolds. Besides its classic titular number, *Singin' in the Rain* offers a host of great song & dance numbers, including *Moses & Good Morning*, highlighting the stars' grace & athleticism. But my favorite number is Donald O'Connor dancing & singing to *Make 'em Laugh!*

MAKE 'EM LAUGH, IRONICALLY: Irony always makes me laugh. A good old-fashion from the belly, heart & soul laugh. I get a chuckle out of the twist that fate, destiny or the universe plays on the characters of a novel, movie or TV show. F. Scott Fitzgerald's *The Great Gatsby*, an American classic, is filled with irony. Gatsby is anything but great. He made his money by nefarious & illegal ways. A lonely man, he throws lavish parties to flaunt his wealth to impress Daisy, an earlier love. Despite an affair with Gatsby, Daisy won't leave her husband. Driving Gatsby's car, she accidentally hits her husband's mistress, Myrtle, killing her. Gatsby takes the blame for the accident & Myrtle's husband shoots & kills Gatsby. Despite his lavish parties & wealth, Gatsby's funeral is sparse, because he has no real friends. The greatest ironic novel is *Catch-22!* The catch? A man must be insane to keep flying dangerous bombing missions during WWII, but requesting not to fly the missions proves the man's sanity! It is irony that places *Maverick & Frasier* among my favorite TV shows. The Maverick brothers & the Crane brothers - often driven by revenge, money or in the case of the Crane brothers, vanity or obsession - concoct an elaborate scheme or plot. They do everything right & often the scheme succeeds, only to have fate deal a cruel twist from the bottom of the deck to make the coveted prize suddenly valueless! Perhaps irony in movies, books & TV makes me laugh because it so mirrors real life. In life, it may seem that the plans we make do not matter, as any planned outcome is subject to more onslaught from the universe than we likely can predict or imagine. From playwright William Saroyan, "*You write a hit play the same way you write a flop.*" In life, you try your best & often, maybe always, things don't work out as you thought they should. Many times, you give your best to others; your kindness, compassion, understanding & they still treat you poorly. Perhaps it is irony that can help us find a bit of a laugh at these desperate, devastating, demoralizing & distressing times. From English socialite Elizabeth Bibesco (daughter of Prime Minister H.H. Asquith), "*Irony is the hygiene of the mind,*" & from *Friendly Persuasion* author Jessamyn West, "*A taste for irony has kept more hearts from breaking than a sense of humor, for it takes irony to appreciate the joke which is on oneself.*" Playwright Moss Hart tells us, "*Far more quickly than reason & logic, irony can penetrate rage & puncture self-pity.*" Kierkegaard believed understanding irony was personal growth: "*He who does not understand irony & has no ear for its whispering lacks of what might be called the absolute beginning of the personal life. He lacks what at moments is indispensable for the personal life, lacks both the regeneration & rejuvenation, the cleaning baptism of irony that redeems the soul from having its life in finitude.*" Does irony help us attain some minor solace, perhaps wanting to believe that other people will eventually see what we see or that karma, the universe, fate and/or history will deal with such evil offenders? Even if we can find the irony of the situation & have a chuckle, it may still be more of a Snidely Whiplash laughing sneer; the irony may not stop us from forming a *Never-Will-They-See-It-Coming-Revenge* plot worthy of Bret, Bart, Frasier & Niles. If we learn to find the irony that helps us deal with disastrous circumstances, can we even find the irony that could help us deal with the current horrific state of our country? Early 20th century American fantasy/horror writer H.P. Lovecraft suggests, "*From even the greatest of horrors, irony is seldom absent,*" so let's take a look! Here we are today, after a group of people used their superficial understanding of Machiavelli & employed every means possible to achieve an end result: corrupt, incompetent leadership. These people now complain about crippling inflation, high crime & a host of other blights that have been cast upon our recently great country. That high inflation was caused by the leadership they wanted crushing the oil industry (in pursuit of expensive & inefficient energy sources), driving prices so high that these leaders released oil from the strategic petroleum reserve, which is only supposed to be used in times of war or national crises. Now, these same leaders say oil prices are too high to refill the reserve! *Ironic, isn't it?* Take the state of California, which on April 1st enacted a new \$20/hour minimum wage to help workers make ends meet. But instead of helping workers, these workers are being fired, entire restaurants & stores are closing & the price of fast-food has jumped 10% to 15% already! *How ironic!* Despite seeing this irony, we may still find ourselves angry & upset about how these peoples' actions have impacted lives, liberty, livelihood & country. Knowing history will likely one day see & document the truth of these events offers us little consolation today. From historian Arthur Schlesinger, "*History, in the end, becomes a form of irony,*" & from 19th century Salvation Army commissioner, Samuel Logan Brengle, "*One of the outstanding ironies of history is the utter disregard of ranks & titles in the final judgment men pass on each other... history cares not an iota for the rank or title a man has borne, or the office he has held, but only the quality of his deeds & the character of his mind & heart.*" Perhaps those whose manipulation created this situation in their attempt to achieve their self-serving values will, after feeling themselves the pain they caused, have a change in their hearts & perspectives. From W. Somerset Maugham, "*If a nation values anything more than freedom, it will lose its freedom; & the irony of it is that if it is comfort or money that it values more, it will lose that too.*" It is ironic that our revenge can simply be speaking of the irony we see, for as Frederick Douglass said, "*At a time like this, scorching irony, not convincing argument, is needed.*"

INDUSTRY NEWS: *Lucky Energy* cleaned up its name & raised \$8M. *Flyers Cocktail*, hemp-infused beverage maker, closed a seed round led by *Delta Emerald Ventures*. Functional sparkling water *heywell* completed a strategic funding round led by *Alethia Venture Partners*. *Mooski*, muesli-based snack bar, secured a \$100K investment from *Halperin Emerging Company Fund*. *Nukuko*, cocoa-free chocolate from fava beans, raised \$1.5M led by *Oyster Bay Venture Capital*, with *SOSV* & *The Mills Fabrica* involved. *Time-travelling Milkman* raised €850K to scale *Oleocream*, a sunflower fat to replace palm & coconut oil in plant-based dairy; investors include *Alianza Team*, *Oost NL*, *SHIFT Invest* & *Oterap*. In Sweden, *Ironic Biotech* raised a

pre-seed funding round of €1M led by *Nordic Foodtech VC* for its side-effect free plant-derived proteins containing iron. *Profluent*, an AI-first protein design startup, raised \$35M led by *Spark Capital*, with *Insight Partners*, *Air Street Capital* & private investors involved. Finnish precision fermentation company *Onego Bio* raised \$40M to commercialize its animal-free egg protein, *Bioalbumen* & enter the USA; the round was led by *NordicNinja*, with participation from *Tesi*, *EIT Food* & a \$10M grant from the Finnish government. *Full Glass Wine* raised \$14M & acquired *Bright Cellars* to add to its DTC wine marketplace brands. *Chiyo*, a food platform that designs specific nutrition programs for pregnant women & new moms, secured \$3M from *Bread & Butter Ventures*, *Ingeborg*, *The Helm* & others. *Jumbotail*, a marketplace that connects supermarkets & mom & pop grocery retailers with brands & producers, raised \$18.2M with *Artal Asia*, *Heron Rock*, *Sabre Investment* & others involved. *Cauldron*, bioreactor fermentation technology, raised \$9.5M led by *Horizon Ventures*. *Seso*, a platform to link legally documented workers to farms, raised \$26M from venture capitalist *Mary Meeker*, *Index Ventures*, *NFX* & *SV Angels*. Indonesian fisheries startup *FishLog* raised an undisclosed amount from *Mandiri Capital Indonesia*, *BNI ventures*, *Accel Partners*, *Insignia Ventures Partners* & *Saison Capital*. *SuperK*, a franchised retail chain for small towns in India, raised \$6M led by *Blume Ventures*. *MyGug*, a food waste solutions provider, raised €900K led by *BVP*, with *Enterprise Ireland* involved. *Clean Food Group* raised €2.9M from the *Clean Growth Fund* for its utilization of food waste to produce oils & fats. In the UK, *WASE*, food waste to biogas, raised over €9.9M from several investors. Former *Starbucks* CEO Howard Schultz purchased a 2% stake in chocolate maker *Tony's Chocolonely* for an undisclosed amount. Healthcare company *Group KPS*, consumer investor *Bastion Capital* & one of the original *Goli* founder acquired nutrition company *Goli* with bankruptcy looming; terms of the deal were not disclosed. *Vandemoortele* acquired a majority stake in pastry manufacturer *Banneton*, manufacturer of freezer-to-oven croissants, Danishes & pastries. *CVC Capital Partners* purchased *Monbake Group*, a provider of frozen baked goods. In Portugal, dairy processor *Lactagal* purchased *Queijos Santiago*, a dairy company & brand of local cheeses. In Japan, seafood processing company *Maruha Nichiro* acquired a 9.9% stake in *Kibun Foods*, fish paste products, for \$18.4M. *Louis Dreyfus Company* purchased Brazilian instant coffee producer & exporter *Cacique*. *Kingswood Capital Management* acquired *Corbion's* emulsifier business for \$362M & will rename the business *Patco*; Amsterdam-based *Corbion* expects net cash proceeds of \$275 million after tax & transaction costs. *Sheer Logistics*, a 4PL solutions provider, acquired 3PL provider *CargoBarn*. The state of Ohio announced \$14M in funds to increase meat processing capacity. Rumors suggest *Boisson* will shut down amid restructuring. *Neptune*, a Canadian pioneer in the krill oil industry, has had its stock delisted from NASDAQ as it finds itself in financial difficulty.

Walgreens Boots Alliance beat 2nd QTR sales but lowered its earnings outlook due to the economic environment & reported a \$6B charge due to its underperforming investment in primary-care provider *VillageMD*. *Conagra* beat 3rd QTR estimates as demand for cooking-at-home products continued to rise. *Lamb Weston* missed 3rd QTR targets on supply chain software issues; the stock plunged 20% on earnings warnings. *Arcadia Biosciences* increased distribution of its *GoodWheat* but showed a loss for 4th QTR (\$2.85M) & the fiscal year (\$14M). *Edible Garden* reported a 21.6% YOY revenue growth for 2023 with a 32.8% revenue increase for the 4th QTR.

Costco will add more health-conscious services with discounted weight loss platform *Sesame*. *Publix* will open 6 new Florida stores this month. *Grocery Outlet* will open its first Delaware store. *Smart & Final* will add an *Extra! Banner* store in San Diego. *Amazon* & *Whole Foods* will replace its *Just Walk Out* technology & will add its smart cart technology to some locations. *Giant Company* will shift online fulfillment away from its Pennsylvania warehouse to a third-party partner to deliver orders while store team members handle fulfillment. *Lidl US* cut 200 corporate jobs across 3 business units, the second set of job cuts in the past year. *Pepsi* products will return to *Carrefour* stores in France as a deal was reached to end their impasse over grocery prices. *UberEats* will deliver for *The Vitamin Shoppe*. *NationsBenefits* will add *Instacart* deliveries to the healthcare provider's list of benefits. *Gopuff* added a 20-minute delivery for \$1.49/order. *Lenny & Larry's* have added several flavors of protein pretzels, *FITZELS*. *Applegate* now offers shelf-stable bacon. *Celsius* will launch in France. *Tillamook* debuted a mozzarella cheese line. *Dr. Schär* launched a gluten-free marble cake. In Singapore, *Lion Brewery* will launch a new nitrogen-infused stout in a can. *Finally Foods*, molecular farming, emerged from stealth to use AI to produce casein from plants. Australia's cell-cultivated meat company *Vow* has released *Forged Parfait*, cultivated meat based on the Japanese quail. *Pressed Juicery* now offers a nootropics line. *Subway* will launch lavash style flatbread wraps next week. *Riviana Foods* is investing \$80.6M to increase capacity at its processing & packaging plant in Memphis, starting with *Minute rice cups*. *Purina* opened a \$450M new manufacturing plant, its first in North Carolina & 23rd in the USA. *RangeMe* now offers subscribers access to *NIQ* category-level data. New tech platform *Yuka* helps consumers make better purchasing decisions by explaining product ingredient lists. *GrubMarket* added an AI software feature, *GrubAssist*, virtual conversational assistance with real-time business insights & analysis. *Crisp & Green*, healthy, whole meals including grain bowls, salads, & smoothies, will add Chicago-area restaurant locations. A Texas Cal-Maine facility with 1.6M hens stopped production after detecting HPAI. Texas reported its first human case of HPAI, a person directly exposed to a dairy cow. Government agencies have increased the warnings to prevent the spread of HPAI. Poultry processors *Mountaire Farms* & *Case Farms* agreed to pay a combined \$22M to settle lawsuits concerning worker compensation. *Eggland's Best* has been accused of falsely claiming its eggs contain more nutritional benefits & less saturated fat than competitors in two separate lawsuits. Ross Mackay is moving into a chairman emeritus role at *Daring Foods* & will launch beverage start-up *Cadence*.

Wegman's was *Fortune* magazine's top rated best workplace in Retail. *Fresh Del Monte* was among *Newsweek's America Most Trusted Companies* for the 3rd year in a row. From *FMI*, traditional grocers have lost meat sales to other channels as younger consumers move to more cost-effective outlets. From *Black Box Intelligence*, same-store sales growth for restaurants fell 0.6% in February with traffic & other metrics showing a softening. *NASS's Quarterly Hogs & Pigs Report* noted a 1% increase YOY in stocks. Tortillas/wraps/flatbreads dollar sales are up 4.8% with unit sales down 0.5%, according to data from *Circana*. Peruvian mango exports are down 67% through the first 10 weeks of the year. Corn & soybean combined acres are forecast lower while oats area is up 1% in comparable states. Extensive rain is delaying harvesting in the Salinas & Santa Maria regions.

MARKET NEWS: On Thursday markets were headed for a strong week & approaching record closings when the market collapsed after the so-called leader of the free world showed a lack of support for a valued ally facing war with terrorists & an evil empire. Friday's recovery did not keep the markets from ending the week significantly lower. Sticky if not trending upward inflation seems to have the FED backing away from a June rate cut. The March jobs report once more reflected that more than 50% of the jobs created are in the government & government supported healthcare, that an overwhelming percentage of the jobs are part-time & that industrial jobs continue to disappear.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malenka*

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