



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



OUR PREHISTORIC FRIEND, THUK, ([All Ears!! 07/23/16](#), [03/11/17](#), [12/01/18](#)) was likely a nomad, following the herds for food. He also ate an organic paleo diet of the nuts, seeds, plants, fruits & roots. His exercise, besides hunting & gathering, included running from predators, *clubbing* with friends & walking! *Thuk walked everywhere!* When Thuk took Mrs. Thuk & all the little Thuks to visit his mother-in-law in her cave on the next mountain, they walked! The kids constantly asked if they were there yet, needed potty stops & touched each other! And Thuk probably shouted, "*If you don't stop, I'm going to turn these feet around!*" Yes, there is *nothing new under the sun!*

JOURNEYS: It certainly is easier to travel today than it was for Thuk! There is some evidence that boats, canoes dug from tree trunks, were used in prehistoric times. But the horse, ass & donkey were not domesticated until about 3500 B.C.; the camel in the next 500 to 1000 years! Around this time, someone realized a potter's wheel could be used for transportation, inventing the cart. For nearly the next 5000 years, into the 20th century, boats & the horse & wagon were the primary modes of travel. The steam locomotive was invented in the late 18th century & railroad transportation expanded rapidly during the 19th century ([All Ears!! 05/04/19](#)). Then of course, in early 20th century, automobiles & airplanes became a growing means of transportation & travel. The first fixed wing airline service began in 1914, taking passengers in a flying boat between St. Petersburg & Tampa. The oldest still operating airlines are Netherland's *KLM* & Columbia's *Avianca*, who in 2019 are celebrating 100 years of operation. The modern airline industry blossomed with the introduction of the *Ford Trimotor* in 1925 & the *Douglas DC-3* in 1935. The *DC-3* revolutionized airline travel & became the primary passenger carrier through the 1950s. Yet, it still took the DC-3 15 to 17 hours to cross the USA with three refueling stops! The 1960s were the high-flying-times for the airlines & the passengers! People dressed for the occasion; the service & food nearly impeccable. That seems unbelievable today, as passengers feel they are treated like cattle, perhaps given a handful of salty peanuts & 4 ounces of water for a 5-hour flight, all while sitting next to someone who appears to be dressed for bed! In a world of advancing technological conveniences, airplane travel seems stuck in the long ago past! With fewer non-stop flights, a one-stop cross-country flight with a short layover, may still takes 8 to 9 hours. When you add travel time to & from airports, negotiating baggage, security & check-in, the total trip could still take 12 to 13 hours! But, until we get *Star Trek* transporters, travelling cross country by airplane is much more convenient than walking like a friend Thuk, traveling by horse & wagon, or even trains & cars! But by using an airplane to save time, we miss the journey: *the scenery, the people, the connections!* One of our favorite singer/songwriters, Don Williams, said, "*The road of life twists & turns & no two directions are ever the same. Yet our lessons come from the journey, not the destination.*" So unlike Thuk, on our journey to *Natural Products Expo East*, we don't have to worry about mastodons, giant sloths & saber-toothed cats, but we do have to worry about long security lines, weather issues, travel delays & a puppy in a pet hotel! Yes, *there is nothing new under the sun!* We look forward to seeing all our partners, colleagues & friends at the show!

INDUSTRY NEWS: *CEI Ventures & FreshTracks Capital* invested \$11M in *Culture Fresh Foods*, which plans to renovate a 30K sq. ft. facility formerly owned by *Danone* to make plant-based dairy. *Tyson Ventures* has invested in *New Wave Foods*, a manufacturer of plant-based shellfish. *Tyson* agreed to acquire a 40%

stake in the poultry division of Brazil's *Grupo Vibra*. *GNC* will expand its presence in Brazil in partnership with retailer *BFG Brasil Comercial de Vitaminas LTDA*. Ireland's *Valeo Foods* will acquire the European chips business of *Campbell* for approximately \$80M.

Giant was named *Retailer of the Year* by *Supermarket News*. *Stop & Shop* plans to hire 1K new positions to grow its in-store experience. Taiwanese plant-based grocery chain *VegeFarm* has opened a second NorCal location. *Home Chef* & food service provider *Aramark* will partner to offer meal-kits as part of 25 universities' meal plans. *DoorDash* will offer same-day grocery delivery for the e-commerce platform *Mercato*, who services 750 independent grocers & specialty stores across 22 states. *Raley's* will partner with *Instacart* for home delivery. *Albertsons* will introduce *DogSpot*, climate-controlled dog houses where shoppers can keep their dogs safe & monitor them via an app, while they shop. *Amazon* is developing palm recognition technology for payment at *Whole Foods Market* stores. *Walmart* will offer cakes online with consumers able to customize sheet cakes. *Walmart* will begin to test a healthcare service, *Walmart Health* inside its stores. *Target* now offers its *Drive Up* service for online orders in all 50 states & at 1750 stores. *Kroger* will add a 5th *Ocado* fulfillment warehouse in Dallas. *Conagra Brands* will expand its R&D efforts with a 40K sq. ft. *Center for Food Design* in Chicago, located next to the company's headquarters. Start-up *Lecker Labs* announced a *Keurig* like home yogurt maker, *Yomee*, using live culture pods, with consumers able to add their choice of milk, fruits & sweeteners. *Kroger* will launch *Simple Truth* plant-based meatless burger patties, cookie dough, pasta sauces, sausages, deli slices, dip, etc. *Morningstar Farms* will also add plant based *Chik'n* tenders & nuggets. *Hormel Foods* will launch a non-GMO soy protein meat substitute to be used as ground meat under a new *Happy Little Plants* brand. *Memphis Meats*, *Just*, *Fork & Goode*, *BlueNalu* & *Finless Foods* have founded a lobbying group for alt-meat & seafood, *The Alliance for Meat, Poultry & Seafood Innovation*. An activist group, *Friends of the Earth*, filed an objection to *Impossible Foods'* grocery rollout, claiming the use of soy leghemoglobin has not been adequately safety tested. Eighteen poultry processors, including *Tyson*, *Perdue Farms*, *Sanderson Farms*, *Pilgrim's Pride* & *Case Foods*, are named in a lawsuit claiming they colluded to depress wages & other compensation paid to hundreds of thousands of workers.

Per *Edge by Ascential*, *Amazon* & *Walmart* will battle for dominance as the \$2.8T global grocery industry grows at a 13% CAGR by 2024, reaching \$162B. *ACS Applied Materials & Interfaces* reports that Cornell University scientists have developed a butter-like spread using only 80% water & small amounts of vegetable oil & milk fat. According to *JAMA*, an 18-year study of 452K people shows that drinking 2 sodas a day, sugared or artificially sweetened, significantly increases the risk of death. Artificially sweetened drinks heightened the risk of circulatory issues while sugary drinks caused digestive concerns.

MARKET NEWS: Markets rallied on China trade talk & solid job growth. Wages rose 3.2%, the percentage of women in the workforce hit an all-time high & black unemployment fell to a record low, 5.5%. On Labor Day, the Labor Department reported that a record number of Americans are employed, that there has been 17 months with the unemployment rate below 4% & that 1969 was the last time the unemployment rate was this low. The *Wall Street Journal* reported that 99% of Americans got a bigger raise this year. Also, job changers are getting higher wages, with younger workers getting the most with an average increase of 7.6%. FED Chairman Jerome Powell, speaking in Switzerland, said that Americans are in good economic shape & that there is little chance of a recession!

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – Tom Malenka

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