



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

**SUMMER IS SO SPECIAL** it has four different start days! The unofficial start of summer is Memorial Day. People have their plants potted, lawns fertilized, decks & grills cleaned & the party started. In most of the Northern Hemisphere, the meteorological summer, the period of the most summer like weather, starts June 1. Of course, for every school age child, summer starts at the moment of that last school bell. Then, like earlier this week, comes the summer solstice - when the stars, moon & sun mythically align to shout summer's here! And while summer has these four official & unofficial starts, inside our lazy summer-afternoon hearts, we all hold hope for an endless summer!

**ENDLESS SUMMER:** This appropriately named 1974 compilation of *The Beach Boys'* early 1960s greatest hits (released by *Capitol Records* after the *Beach Boys* left for *Reprise*) certainly portrays an idyllic & innocent endless summer. The 1960s in Southern California; beaches, surf boards, hot rods & bikinis. Quite different from Kid Rock's summer of drinking, cavorting & smoking funny things in Northern Michigan or even Bob Seger's summertime nights in Southern Michigan. My 1960s summers ([ALL EARS!! SUMMERTIME, 6/22/19](#)) as a kid most closely resemble the movie *The Sandlot* - bicycles, baseball & community pools. My 1970s high school & college summers were more about jobs & trying to keep an old car running. As adults, summers are focused on the children's activities & planning summer vacations. Those summer vacations, that week (or if we are lucky, two) are like pure gold, not just a chance to renew body, mind & soul, but to create precious memories that can last a lifetime. But whether it's fishing on a stream in Maine, waiting for a storm to pass in Florida, riding a jet ski on Lake Erie, climbing a breezy mountain in Wyoming, sipping a cool drink in the shade by a lake in Arizona or lying on a beach in Southern California, summer stirs something special, & seemingly endless, in each of us. Author of *Under the Tuscan Sun*, Frances Mayes shares this sentiment writing, "May summer last a hundred years," as did British novelist Elizabeth Von Arnim (*Enchanted April, Mrs. Skeffington*), "And the summer seems as though it would dream on forever." Lucy Maud Montgomery pondered, "I wonder what it would be like to live in a world where it was always June?" Summer will pass, despite what our favorite *modern* bard, Van Morrison, tells us "These are the days of the endless summer, These are the days, the time is now, There is no past, there's only future, There's only here, there's only now." So for right now, let summer rules apply! More friends, more fun, more music (& LOUDER), more singing, more dancing! More sun! More sleeping in the shade! More walks under the stars! One more bratwurst with sauerkraut please! Where's the watermelon & the chip dip? Bring umbrella drinks & more ice! Sundaes in Old Town at the *Sugar Bowl* tonight? And while summers *are* endless in the Arizona desert, when winter does arrive, let's keep that summer spirit in our hearts, for as Thoreau advises, "One must maintain a little bittle of summer, even in the middle of winter."

**INDUSTRY NEWS:** *Tiny Organics* closed on \$11M led by *Springdale Ventures* with *InvestEco, Silas Capital, Human Ventures, VegInvest, Babylist, Gaingels, XFactor Ventures & Natureza* involved. *Løs Sundays* spirits raised \$3.5M from *CircleUp Growth Partners*. *Ohza*, RTD cocktails, closed \$4M with *CircleUp Growth Partners, Branch Venture Group, Ruttenberg Gordon Investments & Riverside Ventures*. Alt-protein startup, U.K.-based *Enough*, raised €42M (\$51M) co-led by Dutch food & animal feed firm *Nutreco* & the *Onassis Foundation's Olympic Investments*. Israel-based *Better Juice*, beverage technology to reduce sugars in natural juices, raised \$8M led by *iAngels*, with participation from *Maverick Ventures, Food Tech Lab TFTL, The Kitchen Hub, NEOME, Schestowitz Group & Semillero*. *S2G Ventures* has made 3 announced aquacultural tech investments from its *Oceans & Seafood Fund* – *ReelData, ViAqua Therapeutics & Moleaer*. AI-designed seed breeder, Israeli *Equinom*, raised \$20M led by *Phoenix*, with participation from *Fortissimo, BASF Venture Capital, Trendlines & Maverick*. Per the *Wall Street Journal*, *Sanderson Farms* may be considering a sale. Premium chocolate brand *Scharffen Berger*, divested by *Hershey* after 15+ years, is now under private ownership. *Luby's* reached an agreement to sell their *Fuddrucker's* franchise business to *Black Titan Franchise Systems* for \$18.5M. Premium pet food brand *Nulo's* existing investors have been bought out by *Apax Partners*. *Kerry Group*, intending to focus on higher return businesses, is selling its U.K. & Ireland *Meats & Meals* division to *Pilgrim's Pride* for €819M. *Kerry Group* will also acquire

*Niacet*, manufacturer of baking ingredients, for €853M. *Once Upon a Farm* acquired child-meal fresh delivery company *Raised Real*. *JDE Peet's* acquired Australia's *Campos Coffee* for an undisclosed amount. *Rise Baking* will acquire *Brill*, which specializes in cakes, cookies, muffins, icings, glazes & toppings. *Gopuff* acquired *Liquor Barn*, an independent alcohol chain with 23 stores in Kentucky that covers 80% of the Louisville/Lexington market, for an undisclosed amount from private equity firm *Blue Equity*. *Brenntag* will acquire *JM Swank*, ingredient distributor serving bakery, snack, meats, pet food, soups, sauces, dressings & organic, from *Platinum Equity*. *Barry Callebaut Group* will acquire Belgium's *Europe Chocolate*, privately-owned B2B manufacturer of chocolate specialties & decorations. *GrubMarket* acquired *Sierra Produce*, one of the largest importers of South American fruits. *Uber* will acquire the remaining 47% in grocery delivery firm (Chile-based) *Cornershop* in an all-stock transaction. Two Chinese eCommerce companies have filed for USA IPOs, *Miss Fresh* & *Ding Dong*, both around \$350M. *Krispy Kreme's* IPO may raise up to \$650M. *SweetGreen*, whose last raise placed them at \$1.5B valuation, has filed for an IPO.

*Kroger* will hold a *Wellness Experience* outdoor festival in downtown Cincinnati this August. *Giant Food* will offer a local produce box on a subscription service for the summer. *Ahold Delhaize* continues its move to self-distribution, projecting 85% of its network to be self-distributed by 2022. *UNFI* will not sell *Cub Foods* & *Shoppers Food Warehouse*. *Big Y* joins other retailers looking for workers & will hold a hiring spree to add to its workforce. *Meijer* will offer in-store digital ads on a platform with *Perch* & *Purina* that senses the products that shoppers touch & responds with videos & information. *Albertsons* will partner with *DoorDash* at all 2,000 *Albertsons* banner stores for 1-hour delivery on over 40K products with no time slot, queues or minimum order size required. *Sobey's* saw an all-around down 4<sup>th</sup> QTR with slightly lower net income, following last year's heightened sales activity. With a slight 1<sup>st</sup> QTR increase, *Rite Aid* saw its net loss fall to \$13.1M from \$72.7M a year ago. *Farmstead* is now delivering in South Florida. *Amazon* will open a second robotics fulfillment center in Louisiana. *Lesser Evil* will downsize & focus on co-manufacturing. *AppHarvest* has two new farms for berries & leafy greens in Kentucky. *Kansas Dairy Ingredients Cheese*, a manufacturer & marketer of ultrafiltered concentrated milk products, will invest \$45M to expand its operations in Kansas. *Dreyer's Grand Ice Cream* will invest \$145M to expand its ice cream production plant in Fort Wayne. Two cell-based meat manufacturers, with plans to soon distribute products, became operational this week; seafood *Wildtype*, in California & *Future Meat Technologies* in Israel. *BrightFarms* has launched an R&D innovation center, *BrightLabs*, at its Ohio growing facility. *Kellogg* is introducing *Kashi Simply Raisin* cereal, the brand's first offering with zero grams of added sugars. *Kellogg* & *Sodexo* will partner to add *Incogmeato* to *Sodexo's* offerings. *PepsiCo* has filed paperwork indicating an intent to possibly use the *Rockstar* brand for alcoholic beverages. Also, *PepsiCo* will introduce a new line of premium, nonalcoholic cocktail mixers called *Unmuddled*. Both *Rebbl* & *Cheribundi* will launch immunity boosting drinks. *Halo Top* co-founder Doug Bouton is launching a chocolate brand with fewer calories & less sugar than traditional chocolate, *Gatsby Chocolate*, made with *Epogee's* EPG fat alternative ingredient. Activist group *Food & Water Watch* filed a lawsuit that *Smithfield Foods* stoked fears of a meat shortage. Lab tests following a lawsuit reveal that *Subway's* tuna sub shows no evidence of tuna DNA.

From *Brick Meet Click/Mercatus*, online shopping fell 16% in May YOY. Omnichannel grocery shoppers spend up to 20% more than in-store only shoppers, with 70% ordering online more than once a quarter, according to *Symphony RetailAI*. Per *Jungle Scout*, more than half of *Walmart's* online customers order groceries, for *Amazon* that number is less than 25%. Both retailers have a similar percent of premium service subscribers. Per *FMI* & *McKinsey*, 53% of grocery CEOs listed online grocery's ongoing growth in their top priorities for the industry & 38% mentioned eCommerce profitability. From the *FMI*, 49% of consumers are seeking more nutritious at-home foods & 41% will continue to prepare more meals at home going forward. From *CBRE*, the USA will need to add 330M sq. ft. of warehouse space dedicated to online fulfillment by 2025 just to keep up with eCommerce growth. From *FONA International*, when it comes to sugar content, 70% of consumers prioritize taste first & 62% say price is more important. Yet, 58% are shunning carbonated soft drinks, 54% are cutting candy & 51% are cutting baked goods.

**PARTNERSHIP NEWS:** Great article from [Food Business News about Genius Juice's recent growth & new products!](#)

**MARKET NEWS:** Markets rebounded to end the week higher, despite weak economic numbers. Consumer sentiment, new home sales, Service Markit PMI & personal income were below forecast. Jobless claims were higher than expected.

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

**THE LITCHFIELD FUND** – *Tom Malenka*

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