



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

A REAL ADVENTURE! When was the last time you had a real adventure? Not the, "We were in Rome & saw the Trevi Fountain & found the cutest restaurant on Via Flaminia, it was number 1 on Eater," kind of adventure. The no cell phone, no GPS, no Google kind of adventure. Adventure is part of the American DNA. The first Americans arrived here to create civilization out of a vast unknown wilderness. They had little knowledge as to what they would find & what they would need to do to survive. The same is true for those who continued to move westward. Their everyday life, their everyday survival, was an amazing adventure. From Aristotle, "Adventure is worthwhile."

ADVENTURE: There is a fine line between adventure & misadventure! Adventure is Errol Flynn as Robin Hood storming the castle to save Olivia de Havilland's Maid Marion. Adventure is Stewart Granger helping Deborah Kerr find her husband at *King Solomon's Mines*. Adventure is Indiana Jones running from a boulder while clutching an idol. Misadventure looks more like Jerry Lewis as a caddy, bell boy or orderly; or Bill Murray joining the Army! True adventure comprises a certain degree of peril; something could go wrong, very wrong. Traveling the West in the '80s & early '90s with my best friends ([FOR A REASON, ALL EARS!! 5/8/21](#)), I had my share of misadventures! Dodging a rock slide hiking near Comet Falls at Mt. Rainier; reaching the peak near Alta ski resort in Utah, only to have a thunderstorm blow in, then racing down the mountain ahead of a torrent of water; & turning back before reaching the Mt. St. Helens lava dome when a sudden ice storm turned my eyebrows into icicles! And in these days of no cell phones or GPS, we depended on a AAA map & followed the point of our nose for directions! With my friends, a few misadventures included almost running out of gas in Death Valley; an elk holding our ice chest hostage in Waterton & a bison holding our car hostage in Yellowstone. We were locked out of our car near a trailhead at Mt. Baker, I hitchhiked to a campsite for a hanger, in the days when you could open a locked car with a hanger! A June snowstorm led to a treacherous drive up to Lake Tahoe, where all we found were \$20 motel rooms & an all-night sushi bar; the sushi led to another all-night adventure for me, one that is not worth recalling! But our greatest misadventure involved a 1969 Mercedes 240 & a failing fuel pump. Driving toward the Grand Canyon, the car would almost stall when headed uphill. When going downhill, my buddy drove as fast as he could to build momentum for the next upward climb! A stop at a place called Jacob's Lake found no one who knew how to work on a 1969 Mercedes, so after removing the fuel pump, we continued. As long as the car was accelerating well above 70 MPH, the engine didn't stall. As we sped across the Arizona desert toward Kayenta, UT, we passed a state trooper. My buddy, who had recently had a couple of tickets, did not want another. Fortunately, with the dark of night & a quick park behind the *one* building in Kayenta, a quickie mart, the trooper passed us by! Adventures can quickly turn into misadventures, but that should never stop us from taking the next road. As Yogi Berra said, "When you come to a fork in the road, take it!" Adventure opens us to new experiences, from Oliver Wendell Holmes, "A mind that is stretched by a new experience can never go back to its old dimensions." Thoreau reminds us of the importance of our adventures, "We should come home from adventures, perils & discoveries every day with new experience & character." Adventure is the antidote for the mundane. From John Muir, "Few places in this world are more dangerous than home. Fear not, therefore, to try the mountain passes. They will kill care, save you from deadly apathy, set you free & call forth every faculty into vigorous, enthusiastic action." Lyricist Paulo Coelho reminds us, "If you think adventure is dangerous, try routine; it is lethal." So let's be more like The Pooh, whose adventures always end up being a misadventure: "Christopher Robin was sitting outside his door, putting on his Big Boots. As soon as he saw the Big Boots, Pooh knew that an Adventure was going to happen. He brushed the honey off his nose with the back of his paw & spruced himself up as well as he could, so as to look ready for Anything."

INDUSTRY NEWS: *Bachan's*, Japanese-inspired barbecue sauces, raised a \$13M Series A led by *Sonoma Brands Capital*, with participation from *Prelude Growth Partners* & *New Fare Partners*. Sorghum snack maker *Fresh Bellies* raised \$7M. *True Food Kitchen* raised a \$100M led by *HumanCo* & *Manna Tree* with *Centerbridge Partners* involved. Biotech startup *Cultivated Biosciences*, fermented fat ingredients, raised \$1.5M in a pre-seed funding round, led by *Wingman Ventures* along with *Big Idea Ventures*, *Blue Horizon*, *ProVeg International* & *FoodHack*. *BioBetter* raised \$10M from *Jerusalem Venture Partners* for repurposing tobacco plants to create growth stimulants for cultivated meat. *Bond Pet Foods*, fermentation to create meat proteins for pet food, raised \$17.5M from *ADM Ventures*, *Cavallo Ventures*, *Genoa Ventures*, *Lever VC*, *Thia Ventures* & *iSelect*

Fund. Swedish surplus & discount food grocer *Motatos* raised €38M for its pantry goods & household item eCommerce platform, led by the equity arm of Swedish bank *SEB*, along with UK-based VC *Exor Capital*, *Northzone*, *Edastra*, *Gullspång Re:food Invest*, *Norrskan VC*, *LeadX Capital* & *Blume Equity*. Paris based Asian food eGrocery *Waysia* raised €10 million led by *Banyan Pacific Capital*. *Cambridge Capital* took a majority investment in 3PL firms *Boa Logistics* & *Flow Cold Storage*, specializing in refrigerated less-than-truckload consolidation. Regenerative farming platform *Klim* raised €6.5M led by food tech investor, Green Generation Fund. Vertical farming startup *OneFarm* raised £7.M (to build a 70K sq. ft. farm for a 4th QTR crop) through crowdfunding platform *Abundance*. Crop intelligence platform *Taranis* raised \$40M, led by *Inven Capital* with participation from *Seraphim Space Investment Trust*, *Farglory Group* & others. *DoorDash* acquired independent grocer eCommerce platform *Rosie*. *Misfits Market* acquired *Imperfect Foods*, the two online grocers joining forces. *Wicked Kitchen*, plant-based culinary foods, acquired plant-based seafood brand *Good Catch*; both brands founded by chef brothers Derek & Chris Sarno. *Lesaffre* has acquired *Recombia Biosciences* (a partner since 2020) to accelerate the development of yeasts to make fermented ingredients. *Mennel Milling* acquired the remaining equity of the milling & bakery mix operations of *Renwood Mills* & the business interests of *Sanford Milling*. *Fuerst Day Lawson (FDL)* acquired flavor & botanical extract manufacturer *Quest Ingredients*, for an undisclosed sum. C-store *Yesway* acquired nine *Tres Amigos* locations in Texas. *CVS Health* will pay \$8B to acquire *Signify Health*. *Chobani* withdrew its planned IPO as the economy continues to crumble. Per *Business Insider*, eight key executives have left *Impossible Foods* since it delayed its IPO. *PowerPlant Partners* closed its third fund at \$330M.

Supermarket News announced *Kroger* as their retailer of the year. *Kroger* has launched a budget-priced private label line, *Smart Way*, that includes around 150 products. *HEB* will open a 100K sq. ft. distribution center in Frisco & new stores in the DFW area. *Southeastern Grocers* will partner with *DoorDash* for delivery & curbside pickup. *Uber Eats* & *Nuro* signed a 10-year agreement for autonomous delivery bots in Houston & Mountain View, CA. *UNFI* will offer its retailers flash-frozen meals from *Cadence Kitchen* & fresh meal kits from *Cook-Able*. *Kellogg* will introduce portable *Kellogg Instabowls*, cereal bowls with powdered milk activated with the addition of cold water. *Daiya Foods* has launched a plant-based, allergen-friendly flatbread. *Beyond Meat* will be in *Panda Express* nationwide for a limited time with *Beyond The Original Chicken*. *Kibbutz Yotvata* & *Brevel* will partner to build the largest microalgae fermentation reactors to date to produce plant-based proteins. Greece-based snack & baked foods company *SnackCraft* (a subsidiary of *Unismack SA*) will open its first USA facility & a North American headquarters in Kentwood, MI. *Lamb Weston* will build a new French fry manufacturing facility in Buenos Aires, Argentina. *Ebro Foods'* subsidiary *Riviana Foods* will invest \$80.6M million to renovate & expand its processing/packaging plant in Memphis, adding 80 new full-time jobs. *Fair Oaks* will build a \$134M, 150K sq. ft. bacon plant facility & hire 250 employees. *Mission Produce* & *NatureSweet Tomatoes* entered a long-term 3PL partnership leveraging *Mission's* Laredo, TX distribution center. Dairy company *Fonterra* & *Royal DSM* will launch a precision fermentation company to produce more sustainable dairy products at scale. *Blendtek Ingredients* & *Bunge* will partner their expertise to bring a large variety of plant-proteins to the market. *Columbia Distributing* & *Scout Distribution* will form a joint venture to begin statewide distribution in Idaho. *The Plant Based Foods Association* has launched *The Plant Based Foods Institute* to further its support for the plant-based food segment. *The Real Bread Campaign* in the UK is calling for a legal definition of sourdough bread to make consumers aware of sourfaux products. *Target* will retain CEO Brian Cornell for another three years. The Netherlands continues its war with farmers, as the city of Haarlem becomes the world's first city in the world to ban meat ads in the public space.

From *Brightfield Group*, inflation & product disillusionment are causing loyal plant-based focused consumers to rethink use of plant-based products. From *IRI*, for 79% of 178 food categories tracked, unit sales were flat or down YOY across supermarkets, drugstores, mass market, convenience, military, club & dollar stores; this large-scale movement is rare, indicative of a worsening economy & inflation. According to *SPINS*, non-GMO Project Verified sales grew 41.6% over the last two years, with 67% of consumers preferring to purchase certified products. From the United Kingdom's Food Standards Agency, consumers not open to trying cultivated meat outweigh those willing to try it by almost 3 to 1. An *FMI* survey finds that 73% of food retailers are investing in new technologies for foodservice ordering, delivery, dynamic pricing & mobile checkout systems, 80% are increasing the space they allocate to fresh-prepared grab & go products & 70% are offering foods with beneficial nutrition attributes. According to *NielsenIQ*, across all retail outlets, sales of dog food & treats were up 12.2% over a year ago, while sales of cat food & treats grew 14.6%. The supplement taurine, often in energy drinks, may help control oxidative stress during the aging process, especially for women, in a University of Sao Paulo study reported in *Nutrition*. UK-based *YorkTest* projects that the average weekly shop for a family of four will jump more than 30% by the end of 2024. There is a glut of California walnuts this season as growers seek global market opportunities. The avian flu will likely cause a spike in turkey prices for Thanksgiving.

MARKET NEWS: Markets recovered this week despite weak economic data.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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