



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



SUPERMAN IS THE BEST SUPERHERO! Not because he was arguably the first superhero; or because he can fly, has super strength or telescopic, X-ray & heat vision. And not because he was fighting for *Truth, Justice & the American Way*. (When launched in 1938, all Americans believed in the *American Way* – soon our young men would be fighting for it in far off lands.) Superman is the best because he is invulnerable! Bullets bounced off his chest, he can run through fire, fly into a star & for more than 80 years, has not aged. His one weakness is Kryptonite, but do you ever see a green radiating rock laying around? He is the best because unlike mere mortals, he is *immune!*

IMMUNITY: Humans are born with some natural immunity. Our immune system protects us from disease, can help slow down aging & cell breakdown & to a certain extent, help us deal with chronic & acute afflictions. Children's immune systems are particularly strong. But as we age, as with everything else for us *mere mortals*, our immune system breaks down & becomes weaker. There are ways to keep our immune system healthy. The basics include enough exercise, proper sleep & healthy eating. For those who feel they are not eating properly, using high quality vitamins (Vitamin D3) & supplements (Zinc) can help. Many studies tie gut health & healthy gut microbiomes to maintaining a strong immune system. While there are many ways & specific diets to ensure a healthy gut, including prebiotics & probiotics, personally, we subscribe to eating a well-rounded diet, heavy in fresh organic vegetables. A healthy immune system can protect you not just from *'what's been going around'*, but from getting through what diseases you do get & slow some of our natural mortal entropy. While we can do all of these things to strengthen our immune system, sadly, there are some aspects of our physiology that lack any natural immunities, namely our brains & our feelings! Many studies indicate that our immune system is impacted by stress, worry & our overall emotional state. Psychologist Viktor Frankel, who saw the worst of human nature as a prisoner in Nazi concentration camps, pointed out this connection 80 years ago. He once wrote, *"Those who know how close the connection is between the state of mind of a man...&...the state of immunity of his body will understand that the sudden loss of hope & courage can have a deadly effect. The ultimate cause of my friend's death was that the expected liberation did not come..."* Our brains are constantly bombarded with information, misinformation, truth, lies, depressing news & angry rants. For some, this can change our emotional state from time to time - at best once in a while, at worst, within seconds. Certainly, sleep & exercise can help us maintain a healthy emotional state & attitude. For some people, meditation can be helpful; for others, having a healthy work/life balance, vacation time, time with family, having hobbies, helping others, getting lost in a good book or pleasant movie & holding on to strong values & faith. More importantly, it takes a well-practiced brain to reason through the minute-by-minute onslaught of our psyche & senses, then sort through the minutia to preserve a positive attitude. But there really is no immunity from the constant noise! Author Kurt Vonnegut wrote, *"There's no immunity to cuckoo ideas on Earth."* So as Dr. Frankel is noted for pointing out, a positive mental attitude is paramount. This requires a strong, tough mind, as football great Alex Karras points out, *"Toughness is in the soul & spirit, not in muscles."* Actress Patricia Neal, who suffered a stroke while pregnant & was in a coma for three weeks, yet returned to acting, said, *"A strong positive mental attitude will create more miracles than any wonder drug."* A positive attitude is important to our health, as author Sylvia Townsend Warner wrote, *"Happiness is an immunity."* Share that happiness & *health-helpful* attitude with others! From screenwriter Tom Stoppard, (*The Russia House, Shakespeare in Love, Rosencrantz & Guildenstern are Dead*, etc.), *"A healthy attitude is contagious but don't wait to catch it from others. Be a carrier."*

INDUSTRY NEWS: *Valor Equity Partners* led a \$44M raise for fresh baby food maker & delivery *Little Spoon*, with *Kairos HQ* involved. *Nature's Fynd*, fermented protein, raised \$350M, tripling the funding it's received to date, as it readies for a retail launch. The round was led by *SoftBank's Vision Fund 2* & included *Blackstone Strategic Partners, Balyasny Asset Management, Hillhouse Investment, EDBI, SK, Hongkou* & existing investors. *Nobell Foods*, which makes casein from plants to mimic dairy, raised \$75M with *Andreessen Horowitz, Breakthrough Energy Ventures* & others. UK-based

Collectiv Food, B2B food supplier, raised \$16.5M led by *VNV Global & VisVires New Protein* with *Octopus Ventures, Norrskan VC & Partech* participating. *Quinn Snacks* secured \$10M led by *New Road Capital* with *Boulder Food Group & Echo Capital* involved. *Undercover Snacks* raised \$13.7M led by *Octagon Capital Holdings & 900 Chocolate Investors*. Cultured seafood, *Shiok Meats*, raised about \$10M in a bridge round from several investors. *Jones Soda*, through a \$2M convertible debt agreement with *SOL Global & Pinestar Gold*, will begin its path to CBD beverages. *Aromyx*, a data science company which more accurately measures consumer taste preferences, raised \$10M from *Rabo Food & Ag, SOZO Ventures, Ulu Ventures, Radicle Growth, Capital Energy & Merus Capital*. *Pivot Bio* raised \$430M for its synthetic fertilizer replacement led by venture firm *DCVC & Temasek Holdings*. Instant delivery firm *Jokr* raised \$170M from several global investment firms, including *GGV Capital, Balderton Capital & Tiger Global Management*. *Choco*, ordering technology for foodservice, raised \$100M led by *Left Lane Capital* with *Insight Partners, Coatue Management & Bessemer Venture Partners*. *Sensient Technologies* acquired *Flavor Solutions*, a CPG ingredient provider. *Clearlake Capital Group* will acquire *BakeMark USA* from *Pamplona Capital Management*. *Grub Market* acquired NY-state-based *Terminal Produce*. Canadian plant-based food & beverage company, *Above Food Corp*, acquired *Only Oats & Culcherd* to enhance its oat supply chain. *Jim Goldberg, Deep River Snacks*, has purchased *Peeled* out of bankruptcy. *All Market Brands*, which includes *Vita Coco*, converted to a Public Benefit Corporation, focusing on ethical & sustainable products. Biltong maker *Stryve* will go public in a SPAC with *Andina Acquisition Corp*. *The Fresh Market* has filed with the SEC for an IPO.

Upscale C-store chain *Foxtrot* will open 50 locations across the USA over the next two years, with footprints twice as large as their current stores. Grocery & fresh produce is the focus for *Aldi*, as it launches the first *Aldi Corner Store*, a new local, arty, urban-oriented small format in Australia. With a \$65M investment *Dollar General* opened a Kentucky warehouse to serve 800 stores. *Dollar General* has introduced a private label skincare (vegan, cruelty-free, does not contain parabens & other additives) line, with 11 products priced at \$5 or less. *Uber & Costco* will pilot delivery from 25 Texas locations with almost immediate delivery. *Albertsons* will add *Uber's* grocery delivery service to 1200 stores including *Safeway, Jewel-Osco, Acme, Tom Thumb & Randalls*. Ecommerce solution provider *stor.ai & Toshiba Global Commerce Solutions* will partner to enable retailers to better align their physical stores & digital offerings. *PCC Community Markets* banned small plastic water bottles from its 15 stores. *GNC* is entering meal delivery in a partnership with meal service provider *RealEats*. *Target* named 11 brands for its *Takeoff Food & Beverage Cohort*. *Red River Foods*, a supplier of specialty snacks, will invest \$16.5M to establish a warehouse & processing plant in Virginia, creating 60 new jobs. Food pathogen detection company *SnapDNA* won the *Food Disruption Challenge Pitch Competition* at the *IFT FIRST* conference. Plant-based *Crafty Counter* launched *WunderEggs*, plant-based RTE hard-boiled eggs. *Simple Mills* will introduce *Sweet Thin* cookies. *Riviana Foods* will launch boil-in-a-bag *Success Garden & Grains Blends*, rice with simple ingredients. *J.M. Smucker* will add two new varieties to *Uncrustables*, uncured pepperoni bites & uncured pepperoni roll-ups. *Johnsonville* launches *Sausage Strips* which look & cook like bacon. *Feel Good Foods* will introduce Detroit-style frozen pizza. *Bona Furtuna* launches organic ancient grains. New *Dole Fruitify* juices & *Dole Essentials* fruit bowls combine fruit & juice with turmeric, green tea extract & coconut water. *Unified Brands* introduces a refrigerated pizza cheese grater that reduces wasted cheese that misses the pizza during grating! *BrightFarms* recalled packaged salad greens for possible salmonella contamination.

From *Brick Meets Click/Mercatus*, online grocery sales fell again in June & overall eCommerce sales were flat as customers returned to physical stores. The *Feedback Group's Grocery Shopper Intention Monitor* suggests 40% of consumers plan to shop more at a physical store for groceries over the next 12 months, with only 9% reporting they'll shop brick & mortar locations less. Organic fresh produce sales in 2nd QTR had 4% growth, nearing \$2.3B for the quarter, according to *the Q2 2021 Organic Produce Performance Report*. From *IRI/FMI*, frozen foods grew at 9.8% in the past 12 months, double the growth of other food & beverages. Gen-X (born 1965 to 1980) are more likely to follow diets (intermittent fasting, clean eating, gluten free & low carb) & seek fiber (88%), whole grains (80%), plant-based proteins (76%) & omega-3 fatty acids (71%), according to a study from *IFIC & the American Institute for Cancer Research*. From *Numerator*, 80% of consumers have noticed price increases & 67% believe it will continue, with 90% of all consumers planning to change purchase habits to reduce their expenditures. Meat & poultry prices have increased compared to 2019, up 8.7% & 13.3%, respectively.

MARKET NEWS: Markets fell early in the week as the people in Washington DC stoked fear to deter economic growth. Earnings helped a mid-week recovery. Jobless claims were much higher than expected.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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