



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



IN A PERFECT GAME, the pitcher retires all 27 hitters he faces. If a pitcher faces 27 hitters & gets 24 out, he pitched a masterpiece & his team won. In basketball, if a player finds the bucket 24 times out of 27 shots, he likely had a career scoring night. If a quarterback successfully completes 24 passes out of 27 attempts, his team surely wins in a romp. In soccer, stopping 24 of every 27 shots on goal puts a goalie in an elite category. Even on a simple school test, getting 24 of 27 questions correct probably gets the student an A-minus or B-plus, a nice solid grade. There have been 27 amendments to the USA Constitution & 24 of them moved forward the noble cause of freedom!

24 OF 27: The United States Constitution is among the greatest documents ever written & it is the greatest government-establishing document ever produced. The reason is simple, it is the only document of its kind designed to place limits on the government & preserve power in the hands of the people by protecting each individual's rights. Our Founding Fathers, while understanding the need for a federal government for protection, security & trade, wanted to be true to America's roots. America was founded by hardworking people who built communities & established government to ensure order & peace, but maintained an ongoing open forum at the town hall & village green. The USA Constitution has been amended 27 times. Twenty-four of those amendments moved the cause of freedom forward. The first ten amendments are the Bill of Rights, ten simple statements to preserve individual rights. The Bill of Rights was required to get the Constitution passed & the United States of America established. The states insisted on these protections to offset the power a federal government might possess. Despite 24 of 27 being a good percentage, three times in USA history an amendment was passed that infringed upon the principle our Nation was founded upon, the rights of the individual. These three amendments were all passed in the Progressive Era, when Woodrow Wilson, among the worst Presidents in USA history, was in the White House. Progressives, then & now, operate under the socio-fascist belief that government & the ruling elite know better than the individual. The 18th Amendment outlawed the production & sale of alcoholic beverages. A loud temperance movement blamed alcohol for all the evils in American society. Unlike the banning of hard, mind-altering & instant-death drugs that plague our streets today, alcohol was safely enjoyed by many Americans. The result was a crime-driven underground, whose money fueled other crimes like drugs, prostitution, gambling & racketeering. Fortunately, political philosopher Alexis de Tocqueville was correct, *America has the unique ability to correct its faults*, & in 1933 after 13 years of dry mouths & high crime, the 18th Amendment was repealed. The other two amendments, the 16th & 17th, remain in place, & in this case, another great pair of philosophers, *Jim Steinman & Meatloaf*, were wrong: *two out of three is bad!* This week, because of the 16th Amendment, Americans will send a significant part of their hard-earned money to the federal government to disappear into the abyss of government & political waste, greed, corruption & social nonsense. The 16th Amendment was intended to "tax the rich;" a phrase which has been turned into a political war cry. The power seekers vilify the 1% to create a class war, yet the lives of 99.9% of the 1% are not what people think. The majority of the 1% may live in a nicer house or drive a nicer car; have saved for their kids' college education & their retirement; & don't worry if an unexpected bill arises. But they don't own a super yacht, fly in a private jet, throw lavish French Riviera parties, have a private chef & masseuse. They likely go to work every day, attend religious services, do their own laundry & scrub the soap scum off their shower floor. Those in power today want to raise taxes by taking away the tax cuts the previous administration put in place – tax cuts that brought people out of poverty, increased the spending power of hardworking American families & increased the coffers of the USA Treasury. History has proven tax cuts boost the economy & fuel growth, allowing individuals to spend *THEIR* money how *THEY* want, not how the government wants! Tax hikes will continue to cripple the economy & its workers to create more dependency on the federal government – which is key to their plans to be in power! Sadly, the 17th Amendment has done the most damage to America. Until the 17th Amendment, USA Senators were appointed by a state's legislature, who also had the power to remove these senators. The rationale was simple: state legislators are elected more frequently than a senator's six-year term. If a senator no longer epitomized the will & values of the people, they could be removed. The 17th Amendment nationalized senate elections that should be state-focused, allowing for radical mega-donors to influence elections in any state & created a political class where senators can be in office for 40 years. Many of these senators will do nothing positive in that time, but then move on to higher levels of government where they can do some real damage! Sadly, this political class, with the power of the 16th & 17th Amendments, have been fulfilling a prophetic piece of cautionary wisdom from Alexis de Tocqueville, *"The American Republic will endure until the day Congress discovers that it can bribe the public with the public's money."* Our Founding Fathers never intended there to be a political class or a political elite with political careers. They imagined citizens leaders - those who have built businesses, served their communities, leaders for their schools or places of worship – deciding to represent the people at their state house or in Washington DC, for a limited time. Unfortunately, many of these types of people want no part of the current political mess, as just a short 2400 years ago Plato said, *"Those who are too smart to engage in politics are punished by being governed by those who are dumber."* Socio-economist Thomas Sowell points out, *"Politicians are not trying to solve our problems. They are trying to solve their own problems - of which getting elected & re-elected are number one & number two. Whatever is number three is far behind."* George Bernard Shaw wrote, *"He knows nothing & thinks he knows everything. That points clearly to a political career."* From American essayist H.L. Mencken, *"If a politician found he had cannibals among his constituents, he would promise them missionaries for dinner."* Our political leaders cause problems, then try to convince us they can fix them – as the current leaders have done with our borders, our energy, our inflation, our crime & more. From Groucho Marx, *"Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly & applying the wrong remedies."* Lincoln believed it was the peoples' duty to remove, through fair & honest elections, those politicians who pervert the Constitution & Jefferson already was aware that politicians were capable of accomplishing nothing. It takes 38 states to ratify an amendment to the Constitution, so we are likely stuck with the current situation & that is no laughing matter. From American humorist Will Rogers, *"Everything is changing. People are taking their comedians seriously & the politicians as a joke."*

INDUSTRY NEWS: Plant-based *SHICKEN* raised a £4M investment from *VegCapital*. *Liberation Labs* raised \$12.5M for its fermentation manufacturing facility in Indiana; the round was led by *Agronomics* with additional funding from *Siddhi Capital*. *Peptobiotics*, replacing aquaculture antibiotics with antimicrobial peptide technology, raised \$6.2M led by *Hatch's Blue Revolution Fund*. Danish startup *Reshape* raised a \$20M Series A for its biotech robots led by *Astanor Ventures* with *YC, R7, ACME, 21stBio* & others. In Germany, *Torg* raised €2.7M seed round for its AI platform that matches foodservice & private label buyers with food & beverage suppliers; the round was led by *Connect Ventures*, with *FoodLabs* & new investors *Sondo, Ventures Together* & others involved. *TerraClear* landed \$15M to further advance its machine learning rock clearing robots; *Madrona Venture Group* & others were involved. *Ammobia* raised a \$4.2M round led by *Starlight Ventures* with *Collaborative Fund, Chevron Technology Ventures, Plug & Play* & others; *Ammobia* replaces ammonia in fertilizer & other chemicals with a cleaner product. *Brown's Super Stores* invested in *Di Bruno Bros.*, a chain of gourmet food emporiums in the Philadelphia area. *Maison Solutions*, a USA grocer offering traditional Asian food, acquired Arizona's *Lee Lee Oriental Supermart* for \$22M. *J&J Snacks* acquired *Thinsters* from *Hain Celestial*, who is streamlining its portfolio to reduce debt. *Custom Made Meals*, a maker of fresh, oven-ready, value-added entrees & appetizers, acquired *Hearthside Food Solutions'* ready-to-cook & ready-to-heat manufacturing assets. *Baldwin Richardson Foods* acquired *Pennsauken Packing* to expand its aseptic production. *What Chefs Want*, located in Louisville, KY, acquired a fresh produce foodservice distributor, Atlanta's *Phoenix Wholesale Foodservice*. *Ginkgo Bioworks* acquired *AgBiome's* platform assets, biological strains & data. *Ahold Delhaize, Tesco, Woolworths Group, Empire Company Limited/Sobeys & ShopRite Group* have founded *W23 Global* to invest \$125M to invest in start-ups & technology will drive faster, more personalized & connected in-store & online experiences. Due to high inflation, *99 Cents Only Stores* will file for chapter 11 & close 371 locations. *OCHO* chocolate has ceased operations & will seek a sale of its intellectual property. In New Zealand, alt-chicken maker *Sunfed Meats* is shutting down after burning through \$10M of investor money without reaching profit. *Pladis* completed the integration of *Godiva* & appointed former *Sephora* executive Steve Lesnard to lead the brand.

Walmart will be refunding customers in a settlement concerning charging more for certain meat, poultry, seafood & fruit products than the lowest in-store advertised price. *Giant Eagle* opened its new corporate headquarters in Cranberry, PA, home for 400 staffers. *Meijer* is opening 2 new supercenters in Ohio, one in North Canton & another in Alliance; another store will open in Michigan. *Krispy Krunchy Chicken*, a convenience store-based foodservice company, has 3K stores across the USA & plans 700 more locations this year. *Weis Markets* added automated *Picadeli* salad bars to two stores in Pennsylvania. *Metro* will partner with *Too Good To Go* to reduce food waste. *Ahold Delhaize* will sunset the *Peapod* brand & operations as it merges it with its other retail technologies. *Earth Fare* will add plant-based deli options in a partnership with *Prime Roots*. *Amy's Kitchen* is adding organic pasta & enchilada entrees. *Bimbo Bakeries USA* will partner with *Girl Scouts of America* to release *Toast-Yay!*, a limited-edition *Little Bites* flavor. *Cargill* will partner with *Voyage Foods* to produce alternatives to cocoa-based products & nut spreads without using cocoa, peanuts & hazelnuts. Germany's *BLUU Seafood* expanded its cultivated fish production for market entry & forecasts price parity with real honest fish. *Atlantic Fish* launched what they claim is the world's first cultivated black sea bass. In Israel, *PhenOlives* is upcycling olive waste from olive oil processing into flour. In Malaysia, *GraphJet Technology* launched a facility to turn food waste into graphite. From *Consumer Reports, Kraft Heinz's Lunchables* have high amounts of possible cancer-causing ingredients & lead. *Quaker Oats* is permanently closing the Illinois facility that was involved in last year's recall; 510 workers are impacted. The University of Illinois Meat Science Laboratory will spend \$3M to upgrade its facility. *Marson Foods*, waffle products for K-12 & foodservice, opened a 147K sq. ft. distribution, production & R&D facility in Hazelwood, MO. *Conagra* will close its *Birds Eye* frozen food plant in Beaver Dam, WI, impacting 252 workers. *Molson Coors* plans to invest more than £100M in its UK brewery network through 2029. Actress Jessica Alba will step down from her founding creative role at *The Honest Company* but remain on the board. Reports suggest ground up chicken waste used for feed may have spread HPAI into cattle. Meanwhile, HPAI found in North Carolina dairy cows is likely leading the way for the government to once again impede & restrict individual rights; [Don't be Marcia!](#) The *American Farmers Network* received USDA approval for its *Regenerative Agriculture* claim on its packaging. San Francisco is considering requiring groceries to provide a six-month notice before shutting down. *Hormel* reached a settlement regarding the ongoing allegations of a pork price-fixing conspiracy, paying \$2.43M. A French court suspended the government's ban on use of meat-related terms for plant-based food. A Missouri judge lowered *Bayer's* \$1.5B *Roundup* verdict by more than 60%. *Goya Foods* CEO Robert Unanue & Utah Congressman Jack Brewer are teaming up to bring much needed aid to Haiti.

The National Retail Federation & Kantar revealed their *2024 Top 50 Global Retailers*; *Walmart* remained at #1 with *Amazon* at #2. From *Placer.ai, Aldi's* growth is outpacing *Lidl's* growth 3 to 1 (30% to 9%). From *Brick Meets Click/Mercatus*, March online grocery sales were flat YOY. A study from *McKinsey* shows younger consumers are more willing to splurge on groceries & spend considerably larger amounts of their budget on food when compared with older consumers. USA pork (10%) & beef (14%) showed strong February YOY sales growth; beef volume fell 1%. Proving that Americans are smarter than politicians think they are, a report from *The Feedback Group* shows Americans blame inflation on government policies & actions. From *84.51°*, consumers are using cheaper cuts of meat & creating meals that use less meat to avoid the high inflation caused by the government. Chilean citrus exports are expected to be 4% lower this year. Poor weather has driven tomato prices to a record high.

MARKET NEWS: To no one's surprise, March inflation & March core CPI (the inflation indicator that matters most) came in higher than expected & the markets collapsed throughout the week. Investors now see just a 25% chance of a June rate cut & see a higher possibility of a September rate hike. Wholesale prices jumped the most in one month since March, 2023. This administration's war on energy continues to drive transportation & food costs higher. Prices have risen 19% since January 20, 2021! (Note: In January 2021, despite the adversity of 2020, year over year inflation was just 1.4% thanks to the strong policies & wisdom of the prior leadership.) From *Moody's*, inflation has cost the average family \$1,069 per month since January 20, 2021. From the *NFIB*, small business optimism is at its lowest level since 2012.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malenko*

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