



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

"LET THIS BE OUR MOTTO – in God is our trust," appears in the 4th stanza of our National Anthem. The phrase first appeared on USA coins (the 2-cent piece) in 1864 during the Civil War, perhaps apropos of people's need for stability & solace. The phrase gained prevalence after WW2, reflecting that the populace's prayers for an end to the war, the world to be righted, the safe return of loved ones & that the souls of those lost found peace had been answered. The phrase was put on stamps & license plates. In 1956, President Eisenhower & Congress adopted the phrase as our National Motto, replacing the *de facto* motto from our Great Seal, '*E pluribus unum;*' *out of many, one.*

OUT OF MANY. ONE: This week we celebrated Veterans Day & **ALL EARS!!**, as it traditionally does, once again wants to send our thanks, love & prayers to all those who serve. This year, Veterans Day seemed to pass by in the post-election hubbub & euphoria, & yet, it is because of those who served we still have the ability to practice the basic right of our citizenship, to vote for the leaders of this Grand Republic. In many ways, the USA military embodies the phrase, '*out of many, one*'. Individuals from all walks of life join the USA military; from high school grads & those who have lost their way to those who have graduated from Princeton & Harvard & have high paying jobs! To function in an extremely coordinated & exceptionally lethal manner, these individuals have to operate together, as a team, as *one*. Besides operating as an efficient, deadly unit, the military also teaches & trains men throughout its ranks on how to make good battlefield decisions. Think of a football team! The play is called & as a unit, the players begin to react. But then the defense reacts & counters. The blockers know their role, but then react & change blocking assignments. Quarterbacks audible to alert a secondary receiver & set up an outlet pass. The running back will spot a defender & signal a teammate to take him out. The players know the mission yet alter their reactions to accomplish the goal on the battlefield, or in this case, the playing field. Building any team, whether a team to run a business or run the government, requires finding loyal people who understand the mission & are trained to make good decisions that support the goal. The phrase, '*E pluribus unum,*' was suggested in 1776 to the committee developing the Great Seal by Pierre Eugene du Simitiere, a true renaissance man: naturalist, painter, philosopher, patriot. The phrase has 13 letters, symbolizing the 13 colonies that came together to create one Great Nation. Versions of the phrase appeared in ancient philosophy, literature & even in the writings of St. Augustine. On the Great Seal, the phrase is written on a scroll clutched in an eagle's beak, while the eagle's talons squeeze both an olive branch & arrows, symbolizing that we, as a nation, act as one in peace & war. What is very interesting are the two phrases that appear on the back side of the Great Seal: '*Annuit cœptis,*' which is Latin for '*He approves the undertaking*' & '*Novus ordo seclorum,*' Latin for '*New order of the ages.*' It seems as we look upon the American landscape post-election, the wisdom of our American Founding Fathers could never be more apparent. For all the reasons this humble rag has stated, the American people stood as one to make a statement in this election. Much like the ragtag colonial patriots who fought to free America from the clutches of England's totalitarian rule & the well-trained boys from across America who fought to free the world from fascism; Americans from every demographic group spoke with one voice to free America from globalist insanity & put America & America's people first, creating a new order, hopefully for the ages. They did not do this alone, as clearly America still has His blessing, to provide us leaders who will put an end to crime, poverty, corruption, endless wars & abhorrent beliefs that cause death, destruction & misery. But to make this happen, America needs a leadership team loyal to America, to the American people & to our American values. And while that team works to rid America of the crime, death, destruction, poverty & perverseness that has become rampant over the past 20 years or more; that team needs to reestablish America's position in the world, to show the world what freedom is & how it can be won! This can all be accomplished, but only when America is united in its beliefs & values. From President Franklin Delano Roosevelt, "*We are a nation of many nationalities, many races, many religions, bound together by a single unity, the unity of freedom & equality.*" Theologian Gerald Stanley Lee wrote, "*America is a tune. It must be sung together.*" What America needs right now is a return to the traditional values we hold so dear & made us great. After WWI, President Warren G. Harding said, "*America's present need is not heroics but healing; not nostrums but normalcy; not revolution but restoration.*" America's foreign & domestic enemies believed that Americans would accept their fate willingly, cowing to the global cabal. But instead Americans, in their hearts, heard the words of President Ronald Reagan, "*... we did what we had to do. They counted on America to be passive. They counted wrong.*" And yes, God may have been watching over us, guiding us, helping us to give birth once again to our National Soul, for as Otto von Bismarck said, "*There is a Providence that protects idiots, drunkards, children & the United States of America.*"

INDUSTRY NEWS: Stryve raised \$2.9M through a public offering equity sale. *Ghost Tequila*, spicy tequila, raised \$4.5M. *Rich Products Ventures* invested in *Phytolon*, precision fermentation to create natural food colors. In Finland, *Happy Plant Protein* raised €1.8M led by *Nordic Foodtech VC* with *Butterfly Ventures* & *Business Finland* involved; the funding will be used to further develop & license *Happy Plant Protein's* patented technology to create plant proteins. *Shiru*, AI protein discovery, raised \$16M led by *S2G Ventures* with *CPT Capital*, *Lux Capital*, *Nourish Ventures* & *Meach Cove Capital* involved. *Zymofix* raised €2M in funding led by *High-Tech Gründerfonds* with participation from *The Nest Family Office* & *VP Capital* to scale its fermentation technology which converts biomass residues into microorganisms for agriculture & industry. In France, *Elicit Plant*, biosolutions for broadacre crops, raised €45M led by *Carbyne* with participation from *Sofinnova Partners*, *ECBF* & *BPI*. In India, B2C commerce platform *Wheelocity* raised \$15M led by *Lightspeed Ventures*, with *Alteria Capital*, *Anicut Capital* & others

involved. *Kanpla*, a Denmark-based digitized contract catering efficiency platform, raised €8M led by *HenQ*. French insect ag firm *Innovafeed* secured an \$11.8M grant from the USDA to support bug-based sustainable fertilizer production in the USA (seems like a DOGE opportunity). *Campbell* will divest the *noosa yogurt* business to *Lakeview Farms* (portfolio company of *CapVest Partners*) that manufactures fresh dips, desserts & specialty products. *Hershey* acquired candy snack *Sour Strips*. In Europe, *Intersnack Group's KP Snacks* bought nut butter brand *Whole Earth Foods* from the *Ecotone* group. *Wisdom Natural Brands* (*SweetLeaf* sugar substitute) acquired Canada-based *Drizzle Honey*. Snack & Granola maker *Kestrel Foods* purchased pretzel maker *Indie Bay Snacks* for an undisclosed sum. *Kerry Group* will sell its dairy business, *Kerry Dairy Holdings*, to *Kerry Co-Operative Creameries* for \$530M, which allows *Kerry* to focus on its taste & nutrition businesses. *Heineken* took a minority stake in UK-based functional drinks brand *G Spot*; terms not disclosed. *Kingswood Capital Management* acquired *Branding Iron Holdings*, a provider of branded & private label meat products. *Whetstone Distribution* acquired meat processor & distributor *Anmar Foods*. *Wonder* acquired *Grubhub* from *Just Eat Takeaway.com* in a transaction valued at \$650M & raised an additional \$250M in capital from investors. *Mucci Farms*, part of *Cox Farms*, acquired *Greenhill Produce*, a 150-acre greenhouse facility in Kent Bridge, Ontario. *Kerry Group* also acquired *DirectSens' LactoSens* technology that tests low or lactose free dairy product claims. In Spain, *HD Covalco* acquired a 75% stake in Madrid-based *Cash Diplo* to boost its presence in Spain's wholesale food distribution sector. *General Mills* will acquire *Whitebridge Pet Brands'* North American premium cat feed & pet treats business for \$1.45B from *NXMH*. *Casey's General Stores* added 198 c-stores with its closing of the acquisition of *CEFCO* c-stores from *Fikes Wholesale*. *Serve Robotics*, sidewalk delivery robots, acquired *Vebu*, the company behind the avocado processing robot *Autocado* used by *Chipotle*. *Danone* has upped its *Lifeway* buyout offer to \$307M. *CoBank* projects that Big Food company M&A activity to be on the upswing.

Tyson topped 4th QTR estimates on strong beef & pork sales as chicken fell; the company upped guidance. In 3rd QTR, *TreeHouse Foods* reported a net sales decline of 2.8% with a net loss of \$3.4M from its frozen waffle recall; high prices weakened consumer demand. *J&J Foods* reported a strong fiscal year despite soft 4th QTR demand that led to a YOY quarterly drop in revenue & income. *Flower Foods* returned to profitability in 3rd QTR as sales & market share increased. *Lancaster Colony* had a mixed 1st QTR, missing estimates despite an increase in income & revenue; the company expects new products to help boost sales. In 3rd QTR, *JBS* saw a 6.4% revenue increase with a \$1B gain in gross profit & net profit of almost \$700M. Improved pork conditions helped *Maple Leaf Foods* to a positive 3rd QTR, returning to profitability after a year ago loss. *Hain Celestial* doubled its YOY loss to \$20M in 1st QTR with a revenue drop of 7.2%. *Stryve* had 3rd QTR net sales of \$5.7M, up 36.4% & cut its loss 50%-plus to \$3.1M. *Monster* saw an 18% drop in 3rd QTR net income on a slight revenue increase; weak c-store demand, unfavorable exchange rates & excess inventory weighed on performance. *Instacart* had a strong 3rd QTR, beating estimates, but the stock fell on a mixed forecast. *Krispy Kreme* reported \$40M in 3rd income, after a \$40.5M loss a year ago; sales dropped 7%; earnings guidance was lowered for 2024 as it restructures & accelerates its *McDonald's* rollout.

Whole Foods plans December store openings in Florida, New Hampshire & Connecticut. *HEB* will open its eleventh *Central Market* store in a former *Albertsons* location in Dallas. *The Fresh Market* opened its 164th location in Naperville, IL. Also, *The Fresh Market* & *Shipt* will partner for same-day delivery. Ontario grocer *Longo's* is set to open its 40th store next week. *Ahold Delhaize* reported a significant cybersecurity event & some outages. *Amazon* will terminate its own grocery delivery service in Germany. *Stew Leonard's* now offers customers delivery with *UberEATS*. *Instacart* has added several independent grocers to its *Caper Cart* service with *Geissler's Supermarkets* using only *Caper Carts* at its seven locations. *Aldi* is undergoing a major expansion at its 60-acre corporate campus in Batavia, IL. *Dollar General* opened its first Colorado distribution center. *Lamb Weston* will open a frozen potato product plant in The Netherlands. *Jellatech*, animal-free collagen & gelatin, opened a North Carolina R&D facility. *Wayne-Sanderson Farms* completed a \$25M renovation of its Mocksville Feed Mill facility in Georgia. *Subway* is introducing a new store format to roll out globally in 2025 to enhance the guest experience, improve convenience & drive franchisee profitability. *Hormel's Jennie-O Turkey* will add 20K sq. ft. to its Willmar, MN plant. *Aspire Food Group* laid off 100 of its 150 employees & is temporarily scaling back production at its new cricket farming facility in Ontario. *Green Giant* will offer a new canned pumpkin at *Costco*. *Amy's Kitchen* will offer canned soup in five flavors. *Dippin' Dots* will enter retail distribution. *Kraft Heinz* is removing *Lunchables* from its school lunch program due to weak demand. Australian startup *Nourish Ingredients* will partner with Chinese biotech company *Cabio Biotech* to scale its *Tastilux*, plant-based ingredient product, that provides a meaty flavor, aroma & cooking experience to alternative proteins. *Fieldwork Robotics* will collaborate with *Augean Robotics*, the manufacturer of the *Burro* autonomous mobile robot, to develop an autonomous raspberry-harvesting robot. In Italy, University of Verona researchers are field testing gene-edited wine grapes designed to resist fungal disease. *Smithfield Foods* will pay \$2M due to child labor violations in Minnesota, although the company admitted no liability. President-Elect Donald Trump has named Robert F. Kennedy, Jr. to lead the Department of Health & Human Services to *Make America Healthy Again!* Farmers in Europe are loudly protesting the EU's decision to buy produce from South America where farmers do not have to deal with the worthless & idiotic EU's cost-increasing green regulations. *Associated Grocers* appointed David Politz as interim President/CEO, succeeding *Manard Lagasse, Jr.* *Chipotle* promoted Scott Boatwright from interim CEO to permanent CEO.

For the second month in a row, all eGrocery channels posted gains, an overall sales gain of 28%, per *Brick Meets Click/Mercatus*. Per *Circana*, 79% of consumers will celebrate Thanksgiving with the usual traditions, 61% will eat at home & 34% anticipate spending more on Thanksgiving this year. Also from *Circana*, 90% of breakfasts are prepared in under 15 minutes as consumers seek convenience. Finally, *Circana* sees growth in water enhancers & functional drinks as consumers seek to fulfill nutritional needs. *Grand View Research* estimates the USA mushroom market will grow from \$2.97B in 2023 at a compound annual growth rate of 9.4% through 2030. New plant-based meat patent applications have fallen globally for the first time in nearly a decade, with companies like *Nestlé*, *Cargill* & *DSM* slashing patent applications by almost 50%, per *Appleyard Lees*; insect feed patents are down. Per *The Beer Institute*, canned beer shipments continued to gain market share over bottled beer; cans now hold a 64.1% market share. Lettuce prices are up, orange prices are down. Grocery prices were higher in October, with cereals & baked goods notching the biggest gains.

MARKET NEWS: Markets took a breath from the post-election euphoria as hotter than expected inflation indexes left future rate cuts in doubt. Inflation for October came in at 2.6%. The producer's price index was at 2.4%, higher than expected. Jobless claims were at a six-month low. Retail sales for October rose but only due to inflation in the fuel & energy segments.

SEEDS, SPROUTS, GROW, HARVEST!
THE LITCHFIELD FUND — *Tom Malenka*
V11issue22.11.16.24

The Litchfield Fund is a family owned & operated limited liability corporation. We do not solicit or accept investment from outside individuals or entities. Opinions contained in *All Ears!!* are ours & should not be considered investment advice or recommendations.