



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



IT STARTS SO SLOWLY, it's hard to notice. Those little signs, here or there. You catch yourself & think, "Wow, that was different!" Little by little it creeps upon you. Maybe your spouse, or a friend who knows you so well, mentions it. You wonder, "Why is this happening?" Soon, you see it yourself, it's there, there is no denying it. You try to pay attention to it, to do what you can to keep it from overwhelming the life you have built. Or you try to ignore it; assume it will go away on its own; stop bothering you. But then in a moment of stress, you lose control. You act or react; words come from your mouth you thought you would never say! Just like that, you have become your parents!

WE ARE OUR PARENTS: Parents are people. People, including parents, have their wonderful & amazing qualities & unfortunately, qualities we don't really like. Of course, a young child's whole world is their parents. But as a child grows a child develops his or her own personality & begins to have differences with their parents & not just because of puberty & hormones. The child not only begins to see the qualities they like in their parents that they want to emulate but also the qualities & behaviors the child hopes not to mimic! Optimistically, by the time a child begins to see & understand the foibles, failures, fears & anxieties of their parents, the child-parent relationship is strong enough to endure & even strengthen because of that insight. But no matter what, the behaviors, beliefs & practices of our parents that we experience in our early lives embed themselves deeply in our psyche waiting to pop out, often at the worst, strange or most surprising times. Karl Menninger, 20th century American psychiatrist, wrote, "What's done to children, they will do to society," or in modern parlance, repeating the cycle. Hopefully, our parents instill within us those behaviors that make us better people & able to help society, or at minimum, not harm society. In this humble rag I have written often & honestly about my parents. From my parents I have my basic values: God, country, family. I have an undying & never wavering belief in the goodness & greatness of America. From my parents comes my love for old movies, old music, food, cooking to show my love, my Italian heritage & a knack for telling stories! Parents are the best & most important influence on a child's life, the best example. From American humorist Josh Billings, "To bring up a child in the way he should go, travel that way yourself once in a while." George Bernard Shaw, as usual, saw the other side, stating, "If you must hold yourself up to your children as an object lesson, hold yourself up as a warning & not as an example." Warnings are many times life savers. Because of my parents I do not drink or smoke. I rarely have gotten into a shouting argument. I have an almost enduring patience & a lifelong love for learning. And I have a strength of faith that goes beyond rote repetition. One quality I get from both of my parents is a willingness to do hard work. My mom worked hard at everything, whether in her retail clerical jobs or at home. We often joked that she made, invented or dreamed up work just to stay busy. My dad worked hard at his jobs but not so much around our home. Growing up he was a factory worker & a janitor. With Father's Day upon us, I often think about how much I admire my dad's work ethic. Before I was born, my dad worked at the three hardest, most difficult, most demanding & most dangerous jobs available during the first half of the 20th century. My dad was a farmer, a coal miner & a USA soldier! Before an era of advancing technology, these three jobs went well beyond just being "hard work." These three jobs were spirit crushing, placing a weight & burden on mind, body & soul. My dad drove a horse drawn milk wagon to town across 30 miles of dangerous road named "Devil's Elbow." He shoveled coal in 18-inch-high tunnels, & yes, there was a canary in a cage in the event a seam of natural gas or methane was hit. He landed three times under enemy fire in the Philippines, unloading sand & cement bags on the beach for 24 straight hours & carrying the stretchers of the wounded. And he did all this before the age of 25! He would spend another 6 years in the mines after the war, until my mother insisted they move to Cleveland, where he could work in the "safety" of a warehouse or factory. But even as a factory worker (an electrical plater), my dad worked with vats of acid & chemicals, & sharp metal objects requiring chrome plating. His hands were constantly burned & had metal splinters; his nose was always running. He was an old 45, too tired to play catch or cut the lawn & constantly in need of a cigarette & beer. But it took me completing my MBA at age 26 to gain the perspective I have mentioned in these pages before. Despite my multiple degrees, a high paying job, a couple of cars & a great future, my dad had accomplished so much more, done so much more, at the same age, though he was unemployed, uneducated & unprepared for what was to come. He did these jobs because he had to, not out of choice, ambition or fulfilling some goals. So hopefully, we do not just become our parents, but perhaps we become a slightly improved version. And maybe that is what parents should want – that their children take the good & correct for the weaknesses that perhaps they always saw in themselves. This Father's Day issue of **ALL EARS!!** completes 10 full years of somewhat 'hard' work, writing an original once-a-week newsletter. Some thanks goes to my *so-much-better-than-me-other-half's* dad, who after reading the first few issues of my musings, suggested it be placed on social media for all to read. We dedicate the first 10 years of **ALL EARS!!** to him as we move onward to year 11!

INDUSTRY NEWS: Non-alcoholic canned cocktail *Mocktail Club* raised an undisclosed amount from *Pronghorn*. The Kelce brothers announced they will be significant investors, partners, owners & operators of Cincinnati's *Garage Beer*. *Kokomodo*, a cell-based cocoa supplier for the food, beverage, supplements & cosmetics industries, secured \$750K from *The Kitchen FoodTech Hub* & *Israeli Innovation Authority*. *The Leaf Protein Co* raised \$850K for its plant-based proteins led by the *Breakthrough Melbourne Genesis Pre-Seed Fund*, *VC Big Idea Ventures* & the *Hugh Victor McKay Fund*. *Krebs Brewing* took a minority stake in *Clubby Seltzer*. Brazilian restaurant chain operator *Zamp* will acquire the operations of *Starbucks* in Brazil from *SouthRock* for \$22.7M. Copenhagen-based *EvodiaBio* raised €7M for more efficient technology to

produce natural aromas that improve non-alcoholic beer's taste; the round was led by *EIFO & The March Group*. *Kelpi* raised £4.3M for its seaweed-based packaging technology, led by *Blackfinch Ventures*, with participation from *Green Angel Ventures, Kadmos Capital, QantX, Evenlode Foundation, South West Investment Fund, Bristol Private Equity Club, One Planet Capital* & others. In Denmark, the *AEGIS* project was awarded \$85M from *Novo Nordisk Foundation* & the *Wellcome Trust* to explore ancient plant DNA to create weather resilient crops. *Neutral Foods*, a dairy startup backed by *Breakthrough Energy Ventures*, merged with grass-fed dairy *Zeal Creamery*. In the UK, dairy brand *Müller* acquired *Yew Tree Dairy*, a producer of fresh milk, cream & milk powder. *DayDayCook* acquired Asian home cooking brand *Omsom*, sauce & noodles, for stock & cash. French agri-food company *Lambert Dodard Chancereul* will acquire *Cargill's Konspol* poultry brand & its *Nowy Sacz*, Poland, facility. *The Center for Dairy Research & Wisconsin Cheese Makers Association*, operating partners for the *Dairy Business Innovation Alliance*, will allocate \$3.2M in grants to 37 small & medium-sized dairy farms, entrepreneurs & processors. The *National Fish & Wildlife Foundation* made \$10.2M in new grants to help farms & ranches implement voluntary conservation practices across 14 states. Cultivated meat start-up *SCiFi Foods* closed its doors despite \$40M in funding. *Lupii*, lupini based pasta, has ceased operations. *Planting Hope* will undergo a strategic review to focus on growth. *Unilever* executives reaffirmed plans to divest its ice cream business by 2025. The *Collaborative Fund* raised a \$125M fund to invest in health, food & more.

Sprouts will open two new stores in the Philadelphia area. *Hy-Vee* will offer free grocery & pharmacy delivery services to customers at three Iowa stores set to close. *Joe V's Smart Shop by H-E-B*, its low-price banner, will open its first location outside of Houston in the DFW Metroplex. *Buc-ee's* will open its largest store in Luling, TX at 75K sq. ft. with 120 gas pumps! *Weis Markets* lowered prices on 600-plus of its most popular brand name & *Weis Quality* dairy products. *Walmart* plans to install electronic shelf labels in 2,300 stores by 2026. *Albertsons* will team with eCommerce technology company *Rokt* to enable brands not sold online to reach *Albertsons'* eCommerce customers across 11 of *Albertsons'* banners. *Ahold Delhaize USA* will accept *Cost Plus Drugs* memberships at all their pharmacies. *DoorDash* will add alcohol delivery from some *Food Lion, Hannaford, Giant Food, Martin's, Stop & Shop & Stew Leonard's* locations. *Welch's* will relocate from its 40-year home in Concord, MA to a new headquarters in Waltham, MA. Co-packer & private label manufacturer of snacks *G&S Foods* will open a new 348K sq. ft. snack food manufacturing plant in Hanover, PA. With a \$4.8M USDA, the Ponca Tribe of Nebraska will build a buffalo meat processing facility. To gain efficiency, *Saputo* will close six USA facilities. *King's Hawaiian* will build a \$180M 300K sq. ft. bakery & production facility Taylorsville, IN. *Kikkoman* will open a new \$560M, 240 sq. ft. production facility in Jefferson, WI. *JBS Foods Canada* will construct a new beef distribution center at its Brooks, Alberta, facility. Kansas State University received \$25M in state grants for three facilities for their agriculture innovation initiatives. Cultivated meat startup *Aleph Farms* laid off 30% of its staff. *Malk* will offer plant-based creamers. *JM Smucker's Café Bustelo* will offer its first refrigerated iced coffee. *Celsius's* CEO said expansion into food & water is likely, but years away. *The Better Meat Co* says it can reduce the price of its alt-meat mycelium product by 30%. *Miyoko's Creamery* will debut alternative cheese spreads. A lettuce breeder & celebrity chef have derived a spinach lettuce, a spinach/romaine hybrid. *Mondelēz & Biscoff* owner *Lotus Bakeries* will partner on new products that combine *Mondelēz's Cadbury, Milka* & other chocolate brands with the cookie. A new brand *FERMY*, a partnership between *The EVERY Co.* & Canadian vegan functional beverage & supplement business *Landish*, will launch protein & adaptogen-infused coffee enhancers & matcha latte mixes. *Nixie* launched zero sugar sodas. *Laoban*, Asian frozen dumplings, is expanding its line of frozen bao buns into *Whole Foods*. *Ben & Jerry's* is launching its first advertising blitz in several years, advocating for views that have taken bigger brands down. To develop new autonomous weeding technology, *RootWave*, an autonomous weeding system for agriculture, will partner with *Garford*, mechanical weed control products for row crops. Berry supplier *Agrovision* will partner *RipeLocker* to deploy its patented low-atmosphere vacuum chambers that extend berry life of berries. Agtech innovation network *Grand Farm* will expand outside North Dakota with the opening of a research location in Georgia with the help from the University of Georgia. A Florida jury in the civil case found *Chiquita* knowingly aided the United Self-Defense Forces of Colombia (AUC) & was responsible for the deaths of eight men killed by the AUC. *Meati Foods* had a setback as the judge in the case called out their tactics in the alt meat IP dispute with *The Better Meat Co*. *Joey Chestnut* has been barred from *Nathan's* hot dog eating contest due to his relationship with *Impossible Foods*. *Tyson Foods* suspended its previously arrested CFO, a great grandson of the company founder, after a DUI incident this week. *Grandview Poultry* filed a class action lawsuit against *Tyson & Cal-Maine* for anticompetitive & fraudulent practices involving the Dexter, MO, processing plant.

Per *Brick Meets Click/Mercatus*, USA online grocery sales totaled \$6.8B in May, 0.4% lower YOY; customer orders were higher, but sales were lower as consumers pulled back their spending. From *FMI*, home-cooked seafood is now 59% of consumption, up from 53% a year ago; restaurant-prepared seafood meals declined from 47% to 41%. From *AMEX & Morning Consult*, 47% of millennials & Gen-Z will attend food festivals this summer & 67% spend at least \$40 per week on takeout. A *Cleveland Clinic* study found that those who consumed a higher amount of the sweetener xylitol had a higher risk of cardiovascular disease. Consuming foods rich in live microbes may prevent muscle loss in a study reported in *Clinical Nutrition*; the risk of sarcopenia as people age was reduced by as much as 30% for those with a high intake of live microbes. A study from University of São Paulo & Imperial College London determined that eating ultra-processed plant-based meats raised the risk of heart disease by 12%. USA pork exports broke a 3-year-old top record; beef shipments hit a 10-month high. Beef production will contract, but cattle prices will remain inflated, per *Rabobank*. Colombia's avocado exports to the USA are expected to grow by 50% as *Rabobank* forecasts significant growth in the avocado market in 2025; avocado prices are rising, as the Mexican supply is between harvest. Grape prices are falling. The weather has been perfect for this year's first soybean crop.

MARKET NEWS: Nasdaq & the S&P 500 hit record highs during the week. The May CPI came in at 3.3%, still well above the FED's 2% target. The FED forecasted higher inflation & slow growth. Consumer sentiment took a large drop. The government was \$347B over budget in May. Jobless claims came in higher than expected.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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