



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**WHEN I HIKE** in the desert reserve just a few minutes away, I try to imagine what the first settlers saw upon arriving in this valley. Surrounded by mountains with striking rock features to the south, west & east, they looked north on a valley of colorful wildflowers & beautiful blue palo verde trees with their bright green trunks & yellow flowers. Following the paths laid by ancient tribes, canals were dug & an agrarian society began to raise citrus, cotton & cattle. In our shared American DNA is to build – build it bigger, better, taller! More settlers came to this valley of the sun, bringing commerce & trade. A city rose from the scorched desert earth, majestically rising like the Phoenix.

**THE PHOENIX:** Many myths are shared across cultures & religions. The most prevalent is probably the flood mythology. Supported by historical, geological & geographical study, some 12,000 years ago a cataclysmic event from a volcano or asteroid shower caused a sudden melting of glacial ice & massive flooding. This event was followed by periods of extreme heat & extreme cold, known as the Younger Dryas. In these myths, there is someone or some family that is saved from the deluge to restart & renew a more moral & faithful human race. There are shared mythologies around the globe covering creation, saviors, night & day, winter & spring, heaven & hell. Cultures from China, Asia, the tropics, the Middle East & Americas share mythologies of renewal & rebirth, much like the Phoenix. Here in the American Southwest, Native American folklore tells of the Thunderbird, who can summon the rain to renew the Earth. While the Phoenix myth differs slightly from culture to culture, the original Greek mythology encompasses the general story that appears across a number of cultures. A powerful goddess rises in the heavens & drives all the evil spirits to Earth. To create an Earthly paradise that lasts for 1,000 years, the goddess created the Phoenix, whose soul-endowed presence will ensure this paradise. The Phoenix is about the size of an eagle, with red & gold plumage. Much like the Holy Trinity, the Phoenix has three forms: an eternal, immortal spirit; a soul-endowed entity that lives 1,000 years & an earthly mortal creature. After a thousand years, the Phoenix, whether bored with paradise or worn from suppressing the evil spirits, allows its mortal form to be consumed by fire. But the Phoenix rises from the ashes to witness judgement against the evildoers & a new paradise is born! America has been the Phoenix. Hatching in the empty wilderness, America grew to Greatness, an economic & moral beacon for all of the world. For more than two hundred years, America enjoyed this Paradise. But now, for more than 30 years, our country has been ruled by a morally bankrupt & selfish cabal. This leadership cabal, tired of living in paradise, spread a hate of America & God, trying to bring America to ruin & remove her from her position of world leadership. For a while, the American Phoenix held off these evil, soulless actors. But four years ago, the American Phoenix was consumed in fire, on a pyre fueled by the logs of hate, greed, power, perversion, intolerance & injustice. And that fire has been consuming America, figuratively & literally, for the past four years. The evildoers believed they had reduced the American Phoenix to ashes. But within hours from today, the American Phoenix, sporting its red & gold plumage, will once again rise from the ashes! A new American paradise is about to begin, one which reverses the descent into this Hell on Earth that has been created over the last many decades. And this American Phoenix, much like some of the original mythology states, "...brings itself back to life as a witness to the judgement against them, for they did wrong to Adam & his race." In 1907, President Theodore Roosevelt had 16 American battleships painted white. He then sent the Great White Fleet on a mission to sail around the world. The purpose of the armada was to demonstrate the USA's power, promote diplomacy, strengthen America's standing in the world, & by loading the ships with goods & supplies, foster goodness, goodwill & benevolence with other nations. Roosevelt's actions were embodiment of the eagle on our Great American Seal – a fierce looking creature clutching arrows in one massive talon & an olive branch in the other. Soon, the American eagle will return to the sky, this time flying side-by-side with the American Phoenix! Together, the Eagle & the Phoenix will reestablish America's position of leadership, morality, goodness, economic dominance & Greatness, here at home & around the world. This is the position that America deserves & has rightfully earned, over these centuries around the world, through her honor, by doing her duty & spilling her blood. The immortal American Spirit, endowed in our souls, will be reborn & renewed by the American Phoenix, who will spread its wings over our American paradise.

**INDUSTRY NEWS:** RTE meal maker *Proper Good* raised \$3.5M from internal investors. *Via Carota Craft Cocktails* raised \$11M in funding from undisclosed investors. *Atlantic Sea Farms*, seaweed products & supplier, raised \$3.8M from investors including *True Wealth Ventures*, *Third Nature Investors* & *Builders Bridge*. *Revival Tea Company* raised \$500K. *Chipotle's Cultivate Next* fund made minority investments in *Plantible* & *CH4 Global*. In Canada, *Enhanced Medical Nutrition*, innovative food-as-medicine platform, raised \$5M led by *dsm-firmenich Venturing* & *Ajinomoto*, with participation from *PeakBridge*, *Elder Ventures* & others. *Robigo*, microbial solutions for crops, was named the winner of the *THRIVE Global X Scale-Up Program* & received an investment from *SVG Ventures*. Berlin-based startup *Formo* secured €35M in venture debt from *The European Investment Bank* to help scale its fermentation technologies to produce proteins such as casein. In India, farmer to foodservice application platform *Fambo* raised \$2.5M led by *EV2 Ventures*.

Canadian pet wellness brand *Healthybud* raised \$1.5 million in a round led by *Investissement Québec* with private investors participating. In Slovenia, *Narayan Group*, organic coconut & superfood products, has agreed to be acquired by *Edible Garden*. *Clear Demand & Bungee Tech* will merge to create an AI-powered pricing optimization & competitive intelligence platform; they will operate as *Clear Demand* & will be based in Scottsdale, AZ. *World Wrestling Entertainment (WWE)* bought a minority stake in Hulk Hogan's light lager brand, *Real American Beer*. *Hidden Harbor Capital Partners* acquired *Quaker Valley Foods*, a protein distributor serving retail, wholesale & foodservice customers. As announced last month, *Gryphon Investors'* acquisition of *Spindrift* has been agreed upon; former *Boston Beer* head Dave Burwick will become *Spindrift's* CEO. *Walmart* will sell its robotics business to *Symbotic* in a \$200M deal; *Symbotic* will help *Walmart* develop, build & deploy robotics solutions for pickup & delivery at stores. *Louis Dreyfus* is acquiring *BASF's Food & Health Performance Ingredients Business*. *Sweetmore Bakeries* acquired Phoenix-based *Azteca Bakeries*, a wholesale manufacturer of authentic Mexican pastries & baked foods founded in 1954. *Misha's*, plant-based foods, acquired *Vertage*, a dairy-free cheese company. France's *Solina*, savory food solutions, has acquired New Jersey based ingredient solutions business *Advanced Food Systems*. *Artistry Restaurants* acquired Carolina-based *Hickory Tavern*, a 20-unit casual-dining chain. *Ahold Delhaize's* local Belgian brand *Delhaize* has reached an agreement to acquire *Delfood NV* convenience stores, both stores originally founded by members of the Delhaize family. *Tru Fragrance* acquired wellness brand *Lake & Sky*. Omnichannel health & wellness platform, *Wellful*, acquired supplement maker *Ancient Nutrition* from *VMG Partners*, *Hillhouse Investment* & other shareholders. *Gordon Brothers*, following its *Big Lots* purchase, is offering retail leases in 47 states for sale. Soft drink maker *Reed's* closed a \$10M million private investment of public equity financing. *Apollo Global Management* is considering taking a substantial stake (\$9.5B) in the *Seven & i's* founding Ito family's effort to take *Seven & i* private. *PepsiCo* closed its *Siete Foods* acquisition.

Rising egg prices drove *Cal-Maine's* revenue & earnings well above last year's 2<sup>nd</sup> QTR results & Wall Street estimates; net income was 14X higher! Despite recording a 1<sup>st</sup> QTR loss due to cost-cutting activities, *Walgreens'* sales & earnings beat analyst estimates. *Meati Foods* reported revenues that almost doubled in 2024 & management states positive gross margins can be achieved in 2025.

*Wegmans* will open its first Pittsburgh-area store in Cranberry Township. *Grocery Outlet* is opening three stores in Northeast Ohio. *Whole Foods* is opening a new store in Boca Raton. *Lidl* is opening a store in Paramus, NJ. *Albertsons* will lay off corporate & divisional support staff. *Walmart* refreshed its logo with brighter colors & bolder lettering. *Amazon* is launching *Amazon Retail Ad Service* to provide retailers cost-effective & relevant ads. *Instacart* will work in partnership with POS equipment manufacturers *Dumac Business Systems* & *Truno Retail Technology Solutions* to provide & manage *Caper Cart* smart carts for independent grocery & c-stores. *ReposiTrak* & *Upshop* will partner to create an end-to-end traceability solution. *Syngenta* & *TraitSeq* will partner to accelerate crop biostimulant research & development. AI ingredient discovery platform *Shiru* is searching for a beverage partner to discover & scale a natural sugar replacement. *TruFood Manufacturing* & *Bar Bakers*, who merged last year, have rebranded as *Tandem Foods*. *Organic Valley* will debut oat-based creamers in four flavors. *Little Spoon* launched a yogurt line, *YoGos*, in four flavors. *Anheuser-Busch* is partnering with sports nutrition & supplements company *1st Phorm* to launch energy drinks & other beverages in a partnership with Dana White. *PepsiCo* will launch a new permanent flavor, wild cherry & cream. Restaurant chain *Steak & Shake* will use 100% beef tallow in its recipes. Mediterranean fast food brand *Pita Pit* commenced a strategic partnership with *Thor's Skyr*. *Brown-Forman* will lay off 12% of its 5,400-person workforce & close its Louisville barrel making facility. *Shearer's Foods* will build a \$100M production site in a former *General Motors* facility in Moraine, OH. *Calbee America* (owner of *Harvest Snaps* & other brands) is opening an R&D innovation center in Madera, CA. A fire at a *Tyson Foods* poultry processing plant in Arkansas sent 24 firefighters & one employee to the hospital to treat burns. *Danone North America* opened applications for annual gut microbiome, yogurt & probiotics fellowship grant. *Kroger's Home Chef* has been referred to FTC over its advertising claims, comparing its offerings to *HelloFresh*, which was to be discontinued. *Pierce County Meats* recalled a variety of RTE items. Nebraska lawmakers are considering a bill to ban cultivated meat. Red dye #3 was banned by the FDA. James Snee will step down as CEO of *Hormel* after 36 years with the company. *New Seasons Market* CEO Nancy Lebold has stepped down. *Coca-Cola* CEO James Quincey presented President Elect Donald Trump with the first ever *Commemorative Presidential Inauguration Diet Coke Bottle*.

In an *E&Y* study sponsored by *Aldi*, *Aldi* is the lowest priced USA grocer. The USA online grocery market increased 18.7% YOY, with gains in all three fulfillment methods, according to the *Brick Meets Click/Mercatus*. From *210 Analytics* & *Circana*, USA consumers shopped for groceries an average of 219 times in 2024, up nine visits from the prior year, spending \$922B; sales rose 3% & units rose 1.3% with meat, fruit & berries leading the category gains. Private label product sales rose 3.9% in 2024 to \$271B according to *Private Label Manufacturers Association* & *Circana*; national brands grew at 1%. From *Gallup*, consumers who eat healthy dropped from 83% to 71% & interestingly, fewer people enjoy their food choices mostly due to high prices. A *Flashfood* sponsored *Harris Poll* survey showed 81% of households plan to cook more at home in 2025 to save money & 89% feel cooking at home is healthier. From *YouGov*, 60% of Americans prefer to spend less than 30 minutes cooking evening meals & 34% use air fryers. *Euromonitor* reported snacking as a meal replacement is growing around the world, with the USA growing to 17% (from 14%) of consumers & the UK growing to 13% (from 10%). Food-at-home got more expensive in December as prices rose 1.8% YOY from November's 1.6% YOY; restaurant prices rose 3.6% YOY. Doomsayers warn of blueberry extinction due to *erysiphe vaccinii*, a fungus that causes powdery mildew in blueberries that prevents photosynthesis & robs the fruit of nutrients. Soft winter wheat seedings are up 6% from 2024; hard winter plantings are up 1%. Freezing weather is impacting desert lettuce crops.

**MARKET NEWS:** Markets were positive for the week as bond yields retreated. Small Business optimism reached a six-year high. The PPI remained elevated & sticky. The consumer price index came in at 2.9% & Core CPI rose 3.2% YOY. Jobless claims were higher than expected. Housing starts hit a 10-month high. Building permits were lower.

### **SEEDS, SPROUTS, GROW, HARVEST!**

THE LITCHFIELD FUND – *Tom Malenka*

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