



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



MY EARLY INTEREST IN MUSIC was spurred by my sister & my dad. My sister, six years older than me, was already an avid listener of *WIXY 1260's* blend of pop/rock. Weekly we listened to countdowns & visited *Record Rendezvous* when we could. We played 45 RPM records & a few albums – the *Monkees* & *Beatles*. Watching old movies & variety TV shows with my dad made me a fan of Big Band music, the great American Songbook with its iconic singers & cowboy music! But through the years my musical tastes & interests continued to expand. For many years, I even kept season tickets to the *Cleveland Opera*, with its soaring arias, elaborate staging & very clever subterfuge!

SUBTERFUGE: My pop/rock phase lasted through my 1970s teenage years. But when disco began to rage & the sixties & early seventies rock icons were drying out in rehab, I turned my music of choice back to country western & southern rock, which along with Bob Seger, was the music of the working-class man. Through college, the start of my career & my MBA program, I stayed with this music; music so close to my roots - after all, my mom was a coal miner's daughter. But after grad school, with a bit more time on my hands, my early love for big band music *swung* into classic jazz – Getz, Coltrane, Baker, Davis, Fitzgerald, Vaughn, Hampton, Monk & so many more. These jazz orchestrations soon led me to explore classical music more deeply, remembering so many tunes & passages that were featured in old movies & *Bugs Bunny* cartoons. From there, it was an easy *bridge* to opera. Yes, opera touched my Italian soul, from the light catchy earworm tunes to the dramatic soul wrenching arias. The ornate, extravagant staging & lighting coupled with the movement of actors & dancers was always delightful, especially sitting in the mezzanine, having a view of the entire stage. But what interested me the most were the humorous & ironic plots - inane, comedic, mystical, clandestine. Opera, like many Shakespeare plays, is filled with subterfuge. Princes & princesses pretend to be (or change roles with) paupers & maids usually to prove, win or test their desired love. Characters disguise themselves to spy on their enemies, escape their current situation or to exact revenge. Check any famous opera that comes to mind: *Don Giovanni*, *Don Pasquale*, *Così fan tutte*, *Rigoletto*, *The Marriage of Figaro*, *The Barber of Seville* – the list goes on & on. But literature & drama hold their own list of works where characters become or try to be someone they are not: *Cyrano de Bergerac*, *The Prisoner of Zenda*, *The Count of Monte Cristo*, *Twelfth Night*, *A Tale of Two Cities* & many more. Movies, usually for comedic effect, use subterfuge & disguises: *Some Like it Hot*, *Tootsie*, *Mrs. Doubtfire*. In almost all cases these disguises are donned perhaps not for entirely nefarious reasons, but definitely for self-serving purposes. And while we may enjoy an interlude with these whimsical characters, whether performed by a great basso or tenor or by Tony Curtis, Jack Lemmon, Dustin Hoffman or Robin Williams, it's another thing in real life when people engage in subterfuge or put-up façades to fool us & serve their own purposes, wanting to appear to be a different kind of person. When this happens in our personal lives, with someone close to us or whom we believed was close to us, it can be truly devastating. We see subterfuge constantly on social media. Yes, there are those who pretend to be someone else for truly evil, disgusting purposes. But what we often see on social media are those who build themselves up with words & statements to promote themselves & their business, only to find they are nowhere near the person they are trying so hard to appear to be. Often, it takes engaging with an individual to learn this. But usually their own hubris exposes them, as their hypocritical words & actions reveal their true personality & purpose. This week, we are reeling from a great subterfuge & see a new façade being created! For nine years our so-called leaders, the once reliable but now deranged media & brainwashed trolls of social media & backyard barbeques have leveled hate & vile at a man & his supporters only because of different beliefs. A man, who for those who know him, is kind, generous beyond all belief, who believes in the goodness & greatness of America & is willing to step aside from his good life to try to make sure that every American has every opportunity that he has had in his life. These so-called leaders & their supporters created fear & engaged in subterfuge, creating now disproven hoaxes, witch hunts & lawsuits, all while creating a façade that they were good people only trying to save democracy! Their vile statements continued all through last week, right up until hours before the man spoke to a crowd, a crowd only there to love & support the man they believed in. Their vile evil & hate culminated in bloodshed & the only reason this man was still able to stand up, iconically raising his fist to tell us democracy & America will survive, was because of his own warrior instincts & an Armored Angel, a Soldier of God, sent to protect him. And while we are still mourning the loss of life & are praying for those recovering, these people who had been attacking him now enter into another subterfuge & put on another façade: We all have to tamp down the discussion! Now? All of us? Why not in June, 2015? Why now? This is just their façade, to save face & make people believe they are not who they really are. Yet, within 48 hours, from their leader to their media minions, the inflammatory words & outright lies began again. There is a line, '*No one remembers who started a bar fight,*' which is only used by the person who started the bar fight; the person who threw the first punch or whose despicable behavior caused the first punch to be thrown. We, & He, know who started this subterfuge & façade. No amount of good words today will change what they caused to happen this past weekend or what we think of them. Nothing (not that they will ever admit what they have done) will make up for the damage they have done to this man, to his supporters, to human relationships, to the USA economy, to our borders, to our streets, to our families, to world peace & to the soul of our Great Nation. It's time to repair the damage, to end the subterfuge & remove the façades. Then maybe America can return to the honesty, goodness & greatness she so richly earned & deserves. May those Armored Angels, those Soldiers of God, continue to watch over us as we try to honestly without any façades or subterfuge work together to achieve this goal to recover & save our American soul.

INDUSTRY NEWS: *Craftmix*, a producer of natural, low-calorie, powdered craft cocktail mixes, received an undisclosed investment from *Branch Venture Group*. UK-based gut health snack brand *Boundless* raised £1.5M from *Graze.com* co-founder Ben Jones & other investors. UK-based indoor farm & salad kit producer *GrowUp* secured £38M from *Generate Capital*. Luxury rum brand *Palm Republic Rum* raised \$1M from undisclosed investors. In Dubai, *Bioniq*, AI personalized supplements, raised \$15M led by *Principal Investors*, *HV Capital* & *Unbound*. *Onego Bio* secured \$15.2M from *EIC* to scale animal-free egg protein & meet regulatory requirements. Indonesian vegan make-up brand *ESQA* raised \$4M from *Unilever Ventures*. *Ceragen*,

optimizing microbes for fruit & vegetable production, raised \$2M co-led by *Divergent Capital* & *1517 Fund*, with participation from *Ajira Ventures*. *Digestiva*, development of proprietary enzymes addressing protein nutrition, functionality & health, raised a \$18.4M Series led by *Magdalena*, with participation from *UC Investments*, *The March Fund* & *Astanor*. In Australia, *ExoFlare* raised \$5.3M for its platform to manage, report & comply food & agriculture industry risks such as biohazards & animal viruses; the round was led by *Salus Ventures*, with *W23*, *Wollemi Capital*, *Precision Group*, *Cultiv8 Funds Management* & others involved. In London, *Permia Sensing*, AI robotic sensing platform for palm plantations, raised £150K from the *British Design Fund*. California's *Reborn Coffee* will acquire Korean baking brand *Bbang Ssaem Bakery* & its 31 South Korean locations. In Brooklyn, family-owned *Acme Smoked Fish* acquired *Banner Smoked Fish*, also family-owned. *Acomo*, plant-based ingredients, acquired *Caldic Food Service's* nuts & dried fruits business in Northern Europe. French industrial bakery business *Groupe Menisseez* bought *Village Bakery*, baked goods for the retail, hospitality & foodservice industries, from *Limerston Capital*. *Solina*, savory food solutions, acquired UK-based foodservice supplier *Rich Sauces*. *Darden Restaurants* will acquire full-service Tex-Mex *Chuy's* for \$605M. *Acosta Group* completed its strategic acquisition of *CROSSMARK*, including its headquarter sales agency & retail solutions businesses, & *Product Connections*, a specialized marketing services business, from *WIS International*. *Gryphon Investors* backed pet health & wellness company *Vetnique Labs'* purchase of *Lintbells* & its *YuMOVE* pet supplements from *Inflexion*. Online rumors seem to indicate a family battle for control of *Lifeway* is once again underway. One Table Restaurant Brands, which operates *Tocaya* (an *ALL EARS!!* favorite) & *Tender Greens*, has filed for bankruptcy but will operate as usual with no plans to close any locations. In Sweden, *Mycorena*, mycoprotein producer, filed for bankruptcy & will seek a buyer. *Beyond Meat's* stock price fell with talk of a balance sheet restructuring. *WH Group Ltd.*, the *Smithfield Foods* parent, plans to spin off its USA & Mexico operations as a separate entity. *Lineage's* IPO is looking to raise almost \$4B.

Sprouts Farmers Market will open its third Charlotte area store in 2025. *Jimbo's* will open its 6th location, a 25K sq. ft. space in the San Diego Scripps Ranch community. *The Fresh Market* will add two stores in the *Metro DC*. *H Mart* will use *Uber* for deliveries. *Whole Foods* will seek to expand its small format store locations like the one it just opened in NYC. Also, *Whole Foods* will offer surprise bags of surplus food items in partnership with *Too Good To Go*. From *Numerator*, 13% of consumers who made purchases during *Amazon Prime Days* purchased bought groceries. *Instacart Health* will partner with New York's largest healthcare provider, *Northwell Health*, to expand access to nutritious food. *Walgreens* is expanding its *Nice!* private label brand with the debut of the *Nice! For You* line of products that do not contain artificial flavors, artificial sweeteners, synthetic dyes, or high-fructose corn syrup; some are also organic & gluten-free. *Ferrero* will return *Famous Amos* to its original recipe after a failed brand overhaul. *Spam* introduced its 12th permanent variety, *Spam Korean BBQ* featuring umami & Korean-inspired spices. Realizing consumers have reached a breaking point, *PepsiCo* plans to lower prices for some of its snacks to offer value items. *Pernod Ricard* will create a business unit to focus on its USA whiskey operations. *Nestlé's Nespresso* is opening boutiques across the USA that will offer an immersive, educational experience for younger consumers. Tarleton State will open a new AG-industry R&D center in partnership with Texas A&M. Poultry processor *Jarrett Foods* expanded their Canon, GA location with plans to add more than 200 employees. *Cargill* will be laying off 200 tech employees around the world. Indoor farm solution *Plenty*, *Driscoll's* & *Mawarid* will invest more than \$130M in a vertical farm in Abu Dhabi, designed to grow more than 2M kg of strawberries each year. *The Masser Family of Companies* will provide supply chain management services, including sales, logistics, procurement & marketing services, to *Szawlowski Potato Farms* a large farm in New England. *Simbe Robotics'* new tool allows personnel to see conditions in stores on a mobile device using imagery from the company's autonomous aisle-scanning robot *Tally*. *Biome Makers* (USA) & *Cropin* (India) launched new soil & crop management tools. *Mars* will work with *January AI* to predict blood sugar responses to food in *Mars'* R&D applications. *Nestlé* revealed has developed a method of reducing the fat present in milk powder by up to 60% without compromising on quality, taste or texture." *Kalsec*, food & beverage ingredients supplier, & Italian neuroscience company *Thimus* launch an AI-powered taste evaluation platform, *T-Box*, for new product development. *Lallemand*, yeast, bacteria, fungi & enzyme product ingredients, & *Exter*, savory solutions, have launched a joint flavor venture. *Incredo* & *Sucro* will partner on manufacturing & commercial distribution for *Sucro's Incredo Sugar*, formulated from cane sugar, offering 50% less sugar & no sugar alcohols. *Bud Light* fell to #3 in USA sales, now behind *Modelo Especial* & *Michelob Ultra*, after offending its customer base. *John Deere* followed *Tractor Supply* in backing away from social agenda initiatives after criticism. A lawsuit was filed against *Paqui* producer *Hershey* & retailer *Walgreens* over the teenager who died during the *One Chip Challenge* marketing promotion. The FDA informed *PepsiCo* that the *Quaker Oats* plant recently closed after a salmonella outbreak may have been infected for four years. In the UK, *Meatly* received regulatory clearance to sell cultivated meat for pet food, the first authorized in the world. Singapore approved 16 insect species for human consumption. HPAI was disclosed in a second layer operation in Weld County, CO.

In the no surprise category, from the *BLACK+DECKER Pizza Pulse Survey*, the most popular pizza topping is pepperoni (67%), followed by sausage (44%), bacon (39%), mushrooms (32%) & onions (26%), with anchovies the least popular. The most popular day for pizza? Friday, of course! From *Placer.ai*, traffic at *Albertsons* banners *Safeway*, *Jewel-Osco*, *Tom Thumb* & *Shaw's* rose by at least 8% to 12% in the past year. From *NRF* & *Kantar*, the top retailer is *Walmart*, followed by other top food & consumables retailers *Amazon* (2), *Costco* (3), *Kroger* (4), *CVS Health* (6), *Target* (7), *Walgreens* (8) & *Albertsons* (10); *Home Depot* (5) & *Lowe's* (9) were the non-food top ten finishers. From the *Newsweek* & *Statista* top retailers report, *Costco* ranked highest among club stores, *Buc-ee's* for c-stores, *Trader Joe's* for discounters, *Giant Eagle* for pharmacies, *Great Wall* for smaller specialty outlets & *Wegmans* for larger non-specialty supermarkets. From *Ernst & Young*, 57% of consumers have returned to stores, wanting to see & touch the food they buy. The USA online grocery sales in June 2024 were \$7.7B, an 8.0% increase YOY. *Mintel*, tracking actual food & beverage innovation not just copycats, reports the past year was the lowest for innovation in almost 30 years. From *NielsonIQ* & *Potatoes USA*, 90% of consumers plan their potato purchases in advance & 84% want transparent bags to see freshness, quality & quantity. Guatemala was the largest exporter of melons to the United States in 2023, with a record \$280M. The USDA raised estimates for sugar production & imports.

MARKET NEWS: Markets surged early in the week on rate cut hopes & the failed assassination attempt on a former President & current candidate. Markets fell as the week rolled on; chip makers took a hit as all indications pointed to future restrictions on chip sales to foreign adversaries. On Friday, a *CrowdStrike/Microsoft* software update brought several industries to their knees; investors realized the risk of a weak, non-responsive or incapable administration. Investment rotated to small caps stocks that would benefit from lower rates & an American business friendly administration. Unemployment filings surged, again giving hopes for a rate cut. Leading economic indicators crept closer to recession territory. Consumers (76%) are cutting back on necessities to make ends meet; 80% for non-whites & 78% for young people.

SEEDS, SPROUTS, GROW, HARVEST!
THE LITCHFIELD FUND – Tom Malanga
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