



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



HATE BREEDS HATE – as our greatest leaders, Abe, Ike, JFK & MLK warned. Yet today, indulgent leaders allow certain people to speak the most hateful things & allow them to shut down roads, bridges, campuses, businesses, graduations & speaking events. On college campuses, the scene is reminiscent of 1930s Nazi Germany, when the National Socialist Workers Party used the naïve, pliable minds attending universities to spout their hate. Hate begins at the top & trickles down – in a family, business, community, a nation. Like 1930s Germany, people aren't speaking up – they think the hate is leveled at others, not them. But like 1930s Germany, they hate you! *Yes, they do!*

YES, THEY DO! Who is *'the they'*? This is not some ethereal all-encompassing they. This is a specific they. They are the people in power & those who manage, manipulate, manhandle & money the system – government, elections, courts, media, academia - to keep *'the they'* in power. But if you vote for *'the they'*, they won't hate you, will they? Well, let's take a look at who they do hate. They hate farmers. They regulate the amount of water farmers can use, limit herd sizes & production speeds, send money to aid foreign farmers not USA farmers, allow foreign entities to buy up farmland & most importantly, they conduct a war on oil production that in turn raises the price of Ag inputs & all transportation. Of course, they hate anyone working in the energy field: oil workers, coal miners, natural gas workers, power plant operators, electrical linemen & more. They do this by limiting exploration, drilling, refining, exporting & transportation & are seeking to shut down coal fired power plants within 10 years. These actions are causing massive job loss & skyrocketing prices, some 33% higher since they came into power. They hate the auto industry & its workers! They promote inefficient & unprofitable EVs - ask *Ford, GM, Hertz* & others - that require fewer workers to build & source needed materials, minerals & components from our enemies! You're not a farmer, autoworker or an energy worker, right? But you do eat food, no matter what your dietary & nutritional preferences. The price of that food is up 23% since they have been in power. If you want to cook that food, keep it refrigerated or drive to the store to buy it, you are doing it at that much higher cost of energy. If you want to do any of that with a reliable gas-powered vehicle, natural gas stove or rely on a stable coal-fired electrical grid, they intend to force upon you inefficient & unreliable energy sources – electricity from solar & wind – because they hate you. Have a family you are trying to feed & house? They hate you! Why else would they enact these policies that drive up the costs of your food & energy? The policies that drove all these prices higher required interest rate increases to restrain the inflation. That means every homeowner now pays thousands of dollars more in mortgage (& credit card) payments, making homeownership unattainable for many. Need more proof they hate families? They plan to allow the 2019 tax cuts to expire, which will increase the tax burden for every family by thousands (about \$2,000/year for those earning just \$75K). Want to raise your family in a safe neighborhood? They hate you! Why else would they allow other countries to dump their prison inmates at our borders; allow fentanyl (now the leading cause of death for 18 to 45 years olds) to cross our borders unchecked; fly 200K+ foreigners who do not share our values directly to 45 USA cities; defund law enforcement & then constantly infringe on our God-given right to protect ourselves, our family & our property? Why would prosecutors put repeat criminals back on the streets & why, for any reason or cause, would leaders allow mobs to burn cities & pillage businesses? With wide-open borders, the world's worst, most evil, abusers - those who traffic women & children - freely practice their evil & sadistic activities. So they must hate women & children, too! That is why they work to bypass or restate Title IX, allowing men to play in women's sports. But can anybody really hate children? Because of their policies, every child in America owes upon birth more than \$100K of the national debt! In school, children are indoctrinated with thoughts & concepts well beyond their years, causing confusion, self-resentment & depression. But wait! They pay off student loan debt, don't they? Well, that money comes from taxes or from "printing money" adding to inflation & debt which everyone (including the recipients of their generosity) eventually must pay! Also, they make it extremely difficult to get into the school of your choice or land a perfect job by enacting rules to make acceptance or employment subject to superficial qualities outside of your control instead of the qualities that matter - grades, experience, skills & character! They help workers though by raising the minimum wage, don't they? Is this really any help? Higher wages mean higher prices, lower sales & less profit. Then workers get laid off or worse, businesses shut down - which was what just happened in California! And workers must compete with border crossers willing to work for lower wages. *'The they'* direct much of their hate toward people who are truly religious (because these people believe in a higher power than *'the they'*); those who stand in respect of the flag; those who proudly, loudly sing the National Anthem with tears in their eyes; those who don't vote for them; & especially for those who don't vote for them whom *'the they'* believe should vote for them based on those superficial categories! They fling this hate at the very institutions, values, causes & beliefs upon which these people have built their lives & those who support these beliefs – *'the they's'* political opponents. As this is being written, there is violence & hate on college campuses across America. Outside paid agitators & inside *'supposed academics'* rile young minds to believe hateful thoughts. This is exactly how the hate worked & was fast-tracked in Nazi Germany – from the streets & universities to the institutions & families. It does not matter how many quotes we share, hang above our desk or put on social media with a cute kitten - no quote from MLK, Ghandi, the Dalai Lama, Mandela or Mother Teresa will dissolve this hate. The hate is real. It comes from the top; from those who have & want power. This same kind of hate has caused millions upon millions of deaths! If we do not pay attention, do not see & acknowledge the hate, ask why the hate exists & call out the hate, we will find ourselves on a calamitous path!

INDUSTRY NEWS: *Maia Farms*, winner of the *Deep Space Food Challenge*, raised C\$2.3M led by *Joyful Ventures, PIC Group & Koan Capital* with financing support from Canada's governmental agencies. *Shoreline Equity Partners* made an undisclosed investment in meat processor *Prime Meats*, based in Duluth, GA. *Edonia*, microalgal alt-meat, raided €2M led by French venture capital firm *Asterion Ventures*. *croBio*, microbes for soil health, raised €1.45M from *SOSV, Ponderosa Ventures & Catapult Ventures Group*. In New Zealand, *Joules*, fermented CO2 proteins, raised NZ\$1M from *Sprout Agritech LP*. *Novolex* made a strategic investment in Rhode Island-based reusable container brand *OZZI*. *Pipedream*, underground delivery systems

for restaurants & others, raised \$13M led by *Starship Ventures* with *Cortado Ventures* & *Myelin Ventures* involved. Brooklyn's *Caladan Bio*, bioreactor technology, raised a \$5M seed round led by *Twelve Below* with *Lerer Hippeau*, *Collaborative Fund*, *Wireframe Ventures*, *Ritual Capital* & *Factorial Capital* involved. Snack brand *Our Home* acquired cheese-based snack brand *Sonoma Creamery*. *Simply Good Foods* acquired plant-based protein shake maker *OWYN* for \$280M in cash. *Danone* acquired *Functional Formularies*, a whole food, shelf-stable, organic feeding tube formula company, from *Swander Pace Capital*; terms were not disclosed. *Woodland Foods*, provider of herbs, spices, rice, grains & nuts, acquired *Idan Foods*, a maker of breadings & batters, coating systems, baking mixes & seasonings. *Grimmway* acquired *San Miguel Produce*, expanding its fresh-cut business. The *William Jackson Food Group* purchased baked goods producer *Lottie Shaw's*; terms not disclosed. In Canada, *Farinart*, grains & seeds mixing specialist for the baking industry, acquired *Malterie Frontenac*, a grain processor for the baking & brewing industries. In the Netherlands, poultry manufacturer *Plukon Food Group* purchased Spanish poultry producer *Sambau*. *Ventura Foods* is adding to its dressings, sauces, mayonnaise, oil & flavorings offerings by acquiring *Dyma Brand*; terms not disclosed. *GrubMarket* acquired *Global Produce*. *Tops* acquired five *Tops* stores operated by *Supermarket Management, Inc.* *Subway* completed its previously announced sale to *Roark*. *Blackstone* acquired *Tropical Smoothie Café* from *Levine Leichtman Capital Partners*. *Brix Holdings*, the parent company of *Friendly's*, purchased the 75-location juice bar chain, *Clean Juice*, an **ALL EARS!!** favorite; terms not disclosed. *Invent Analytics*, AI solutions for demand forecasting, inventory planning, replenishment, allocation & pricing, raised \$17M led by *LFX Venture Partners*, with existing investors *EBRD* & *Collective Spark* involved. In Thailand, *BTG* launched *Betagro Ventures*, a new venture arm focused on incubating new foodtech & agritech ventures & investing in startups through a \$30M fund. Investment firm *TOMS Capital Investment Management* has taken a significant position in *Kellanova*. *Poppi* has denied being an acquisition target of legacy beverage companies. Rumors suggest *General Mills* is working with *JP Morgan Chase* to sell its North American yogurt business for \$2B. *Unilever* says they are still on track for a 2025 divestiture of their ice cream business.

Publix produced across the board wins in 1st QTR; the stock price ended higher. *Sprouts Farmers Market* beat 1st QTR estimates with another quarter of across-the-board growth. *Amazon* saw sales jump 13% with more than a 3X increase in 1st QTR income. *CVS* also had a wide miss in its 1st QTR as medical-related costs rose & forecasts were lowered. In 1st QTR, *DoorDash* saw a 23% increase in revenue as customers & orders increased; the company saw losses fall from \$156M to \$25M. *Kraft Heinz* saw a drop in 1st QTR revenue, though earnings hit estimates, as consumers pulled back on inflation & government freebies expiring. *Kellanova* posted another down quarter, though 1st QTR results met estimates & management spoke to positive indicators. *Hershey* improved results in 1st QTR as pricing power overrode inflationary pressures, the chocolate-maker confirmed full year sales. *Pilgrim's Pride* projects a turnaround after a slight revenue improvement with jumps in net income & adjusted earnings. *Maple Leaf Foods* saw improved earnings on a slight decrease in 1st QTR revenue. *Coca-Cola* reported quarterly earnings & revenue that topped analyst expectations; *Coke* took a \$760M non-cash impairment charge on *BodyArmor*. Despite YOY increase in 1st revenue & income, *Monster* fell short of estimates, though operating profit improved. *Vita Coco* saw 1st QTR improvements in revenue & EBITDA. *Mondelez* had an upbeat 1st QTR but warned inflation pressures are not subsiding. *Starbucks* significantly missed earnings estimates as 2nd QTR demand fell; management lowered future forecasts. Despite a positive 1st QTR, *McDonald's* is looking to add additional value options to counteract volume lost to inflated prices. Amidst a variety of challenges, *ADM* had an expected poor showing in 1st QTR. *Bunge's* stock price took a dive on a poor 1st QTR & weak outlook as sales dropped 12.5% & income 61%. *Corbion* had a 1st QTR drop in revenue (4.3%) & income (2.5%). In the 1st QTR, *Oatly* reported an improvement in revenue & margin, but still showed a significant \$45M loss.

Aldi will invest \$9B to open 800 USA stores within 5 years. Also, *Aldi* will cut prices on more than 250 items resulting in \$100M of savings for its customers. *Walmart* will close its 51 health centers due to profitability. *Walmart* introduced *Bettergoods*, a line of 300 private label BFY & lower-priced products including frozen food, dairy, snacks, beverages, pasta, soups, coffee, chocolate & more. *Stew Leonard's* will open a 2nd New Jersey location. *Giant Eagle* will remove its *Scan Pay Go* technology at several stores due to a lack of use. *Tops Markets* will use *Birdzi's* customer intelligence & engagement platform to personalize offers & benefits to customers. *Sam's Club* has deployed its AI exit receipt check to 120 warehouses, providing customers a speedier store exit. *UberEats* will add *Rite Aid* alcohol delivery in 8 states. *Instacart* will expand its *Save Mart* partnership that includes bringing *Caper Carts* to select *Save Mart* & *Lucky* stores & the *Instacart FoodStorm* ordering platform. *Food Lion* will expand its delivery reach in seven states through its *Food Lion To Go* app. *Getir* will pull out of Europe & the USA but leave *Fresh Direct* operating; *Getir* will focus on Turkey, which is 90% of their business. *Impossible Foods* plant-based chicken will debut at *Whole Foods*. *Ace Hardware* launched their first exclusive food product line, *Loud Mouth Barbeque* sauces & rubs. *Harvest Snaps* will launch *Harvest Snaps Kids Crispy Fruit Snacks*, its first kids' product. *Nestlé Purina PetCare* will invest \$195M in a Wisconsin manufacturing facility, expanding capacity by 50%. Texas's last cane sugar production mill near the Rio Grande closed amid allegations that Mexico withheld water. *Oishii* secured \$15M in financing for a Phillipsburg, NJ vertical farm. A *Dollar Tree* distribution warehouse was badly damaged by a tornado. *Hain Celestial* announced they will look to reduce global SKUs. *Earthbound Farm* has added five new salad kits. *Climax Foods* was disqualified from the *Good Food* awards as its product was found to contain an ingredient not GRAS approved. Continuing to not protect young people, the government is looking to label marijuana as a class III drug. Colorado is among nine states where dairy cows tested positive for HPAI. Florida banned cultivated meat. *Rob Walton* has left the board of *Walmart*.

From *Acosta*, 87% of grocery shoppers do not buy health, beauty & general merchandise at the grocery store with 70% not visiting those aisles at their grocery stores. From an *Accenture* survey of 19K consumers in 12 countries, some 75% of consumers feel there are too many products on the shelf; are overwhelmed by advertising; don't believe product claims & walk away not making any purchase. According to *Vericast*, 60% of consumers are using fast food versus casual dining to save money & 67% feel restaurant dining has become too expensive. From *Rabobank*, South & Southeast Asia are considered to be fastest growing poultry markets, expecting a 30% jump through 2030. Columbia suspended the import of USA beef.

MARKET NEWS: Stocks ended higher this week, rallying on jobs & treasury rates. New jobs came in at 175K & the unemployment rate ticked up to 3.9%, giving investors hope that inflation will cool & that rate cuts will be coming. Economic data continues to prevent the FED from committing to interest rate cuts as the Fed kept interest rates at their current 23-year high. The FED indicated a 2% inflation target is still the goal but that a rate hike is not in discussion. With a week jobs report treasury rates slipped. Consumer confidence for April dipped significantly, nearing recessionary levels. Wages missed April estimates & have decreased 2.5% since January 20, 2021; consumers losing purchasing power due to the staggering inflation.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malenjo*

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