



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



I WAS STUCK AT THE E. 9<sup>TH</sup> EXIT, waiting to turn off the Shoreway. A parade was passing before me – the circus was in town. The street was closed; the trucks & trains had been unloaded in The Flats & a brightly colored caravan of vehicles, people & animals made their way up Ninth to the Gund Arena. Parades always leave the most spectacular for last; in this case, the elephants. As I turned left to follow the *Greatest Show on Earth*, a lifelong adage was fulfilled. For many years in the corporate world, when someone asked, "How ya doing?" my answer was, "Still carrying my shovel & following the elephants in the Parade of Life." As I drove, I thought, "Yep, Welcome to the Show!"

**WELCOME TO THE SHOW!** For many years after college, our regular Friday & Saturday night hangout was a country bar about 20 miles outside of town. The music was good; the hamburgers were huge; the nachos were layered with rib meat, barbecue chicken & jalapenos; the waitresses were fun & friendly; there was a big dance floor, a large bar & the popular '80s video games lined the wall. It was an older crowd, friendly, & not the 'pick-up joints' that some of our crowd, male & female, wanted to hit on a Friday or Saturday night. Eventually, everyone we knew ended up at Forepaugh's before the end of the evening. Though I didn't drink, a lot of my crowd did, & management was sure not to let any drunk driver on the road. Forepaugh's had once been a large campground; but I-480 took eminent domain to cut the campground in two. So after you left the road to make your way to the bar, you passed under the freeway, then winded for about a mile through trees & several shallow lakes. There was always a car or two some drunk driver deposited in a lake waiting to be towed! Another cool thing about Forepaugh's was the original circus posters & memorabilia that lined the walls. The owner, Glenn, was a direct descendant of Adam Forepaugh, who in the late 1800s had created the second largest circus in America, behind *Barnum & Bailey*. By the early 1900s, *Forepaugh's*, *Barnum & Bailey* & *Sells Brothers*, the other large circus, were all the property of the circus king, John Ringling. Ringling, born 158 years ago this week, merged all of these into *Ringling Brothers*, *Barnum & Bailey Circus* which became *The Greatest Show on Earth*. And the circus was the show of shows! Acrobats, trapeze artists, clowns, dancers, wrestlers, human cannonballs, high wire acts, dogs, horses, lions, tigers, bears & of course, elephants! There was popcorn, peanuts & other snacks & sodas. And in the old days, there were the side shows with barkers to get you inside – fun houses, carnival games, exotic dancers, knife-throwers, nickelodeons, human & animal novelties (properly said for current societal predilections) & a few scammers running con games! Yes, a full-out three-ring-circus with the spotlight every so often shining on the main ring for the most daring & exhilarating acts! This week, a survey showed that 72% of Americans think the country is out-of-control, a veritable three-ring-circus! In one ring, we have the in-the-bag media; old, has-been actors, actresses, athletes; & social media influencers who capitalize on their looks, fame or controversy spouting out about domestic & international events, policies & politics as though they are experts! Like the barker, they work hard to get people into the tent, reiterating lies & the social causes of today's pseudo-sciences that defy science, biology, economics, logic & life. In the other ring, we have the government telling lies. Inflation is under control, despite the fact that real earnings have collapsed 2.7% under their watch; that the FED cannot cut rates & may even raise rates again this year; & that their policies have driven energy costs up 38% in just 3 years. They tell us crime is under control only because cities have legalized theft & drug use; dismiss the rise of random acts of violence, drugs & gang activity on our streets & that in our worst & most needy neighborhoods, people no longer call the undermanned & under budgeted police, because no one shows up in time to help. They tell us they won't raise taxes, yet they will allow the current tax structure of the previous administration to expire, costing low & middle income families thousands of dollars; spend money on worthless initiatives that raise prices, causing every American to pay more in taxes; & spend money paying back student loans for adults who signed a contract; & on illegal border crossers, providing them with benefits not available to average Americans. And then they tell us the border is secure despite the number of military age men from enemy nations that cross our borders; the number of getaways that move through & get lost on our streets; the rise in crimes committed by illegal border crossers & the cost in taxes & loss of jobs to our own American citizens. But enough of the prancing ponies & laughable clowns in the side rings; let's put the spotlight on the main ring! Here we have the show of shows, a show worthy of Nazi Germany or the Communist USSR! With a clown in a Lavrentiy Beria mask, they take a political opponent, invent a number of different crimes, then put on a show; a loud show with a quick & predetermined outcome! All the spotlights shine on the center ring, for that is where all the action is, where they want people to focus. Yes, they have put on this show for us, trying to distract us from the daily concerns of life which each & every one of us carry. The circus amuses us with laughs & thrills, seeing people do things that we ourselves would never attempt. Yet, there is always the risk of something disastrous or deadly happening, to keep the people watching. And while this circus we are seeing may amuse many of us, there is the risk of something deadly or disastrous happening – to our justice system, to our safety, to our security, to our livelihood, to our economy, to our children & families, to our sacred right to vote & to our Nation. Roman poet Juvenal believed all a dictator had to do to stay in power was supply the people with bread & circuses! The Romans kept the people happy in their colosseums & arenas – gladiators fighting to the death or lions slaughtering Christians. In medieval times, the circuses of the day were public torture, beheadings & hangings. The sociofascists playbook always needs someone to be a target for hate & then to publicly stain, humiliate, silence that single enemy or even a group of people. Aldous Huxley thought that dictatorships die because they can no longer provide the bread & the circuses. It seems today we have an endless supply of circus entertainers – clowns, scammers, con men, high wire acts, dancing dogs & knife-throwers to amuse us. But everyday the signs in the economy indicate Americans will soon be out of bread! By birthright or naturalization, we American citizens have punched our ticket to this circus, while other nations watch & wait in amusement for something disastrous to happen. Do we know we are watching a circus & why we are being so entertained? Adam Forepaugh & P.T. Barnum were very different. Forepaugh was a businessman where Barnum was a showman. But Barnum had the bigger circus, so Forepaugh tried to discredit Barnum in a newspaper article. He took a quote used by American con men & many others, which it turned out Barnum was happy to take credit for: "There's a sucker born every minute." With our tickets punched we can enter the main tent. We are welcome to the show, but the American people don't need to be, are hopefully too smart to be, suckers any longer.

**INDUSTRY NEWS:** *Proper Good*, premium shelf-stable meals, secured \$5M from current & new investors, including *YETI Capital*. Middle East food company solutions integrator *Grubtech* raised \$15M. In Israel, *Yotvata Dairy* will partner & invest in biotech company *Miletus* to advance *Miletus's Imilac* product as a replacement for antibiotics in milk dairy products. *High Liner Foods* acquired a 4.5% stake in *Andfjord Salmon*

Group, frozen seafood, for C\$10M. *Reser's Fine Foods* will acquire *St. Clair Foods*, maker of refrigerated deli salads, frozen side dishes & frozen entrees, for foodservice. *Sunrise Produce* acquired *Moceri Produce*, another California produce distributor. *Whetstone Distribution* acquired *Pritzlaff Wholesale Meats*. *CoreFX Ingredients* acquired Wisconsin-based powder delivery systems & specialty oil distribution company *Connoils*. *Suja Life* acquired legacy soda brand *Slice*, with plans to relaunch a clean low-sugar version next year. *Uncle Nearest* acquired *Square One Organic Spirits*. *Geissler's Supermarket* acquired Connecticut grocer *Fitzgerald's Foods*. *Dollar Tree* acquired designation rights to 170 leases of *99 Cents Only Stores* across Arizona, California, Nevada, & Texas & North American rights to its intellectual property. In Italy, dairy group *Sabelli* acquired *Stella Bianca* from the *Latte Montagna Alto Adige* cooperative. UK-based fresh prepared foods manufacturer *Bakkavour* acquired hummus dips brand *Moorish*. In France, *Compagnie Léa Nature* bought the bulk business unit, chocolate-covered nuts, seeds, popcorn & other grains, from organic food producer *Biothentic* for \$3.8M. *Tasty Chick'n* (an affiliate of *Triton Pacific Capital Partners*) which has a 470-unit portfolio of *Pizza Hut*, *Burger King*, *Dunkin'*, *Baskin-Robbins*, *Taco Bell* & *KFC* locations, acquired a 64-unit *KFC* portfolio in Central & Southeastern United States. *Silo Technologies*, a food supply chain solution provider, laid off 30% of its workforce & will look for a merger; the company raised \$132M last year. *Takeoff Technologies*, eGrocery fulfillment solutions for retailers, filed for chapter 11 & will look for a buyer. *L Catterton* led a \$40M investment in venture studios *Squared Circles*, whose portfolio includes studio *Nutrafol*, *Magic Molecule* & *Freaks of Nature*.

Lower volumes were the reason for a net sales decrease of 3.5% at *SpartanNash* in 1<sup>st</sup> QTR; EPS was up 5¢ per share on accounting changes & lower incentive payouts. Net sales were up 6.1% at *Dollar General* in 1<sup>st</sup> QTR with a same store sales increase of 2.4%; net income dropped 29.4% on retail theft, inventory markdown & a shift in demand mix. *Hormel* beat earnings & revenue estimates in the 2nd QTR though YOY numbers dropped; net sales declined 7%, volume was down 5% & profit retreated 14%.

*Ahold Delhaize* will shutter an unspecified number of stores under its *Stop & Shop* banner to improve the struggling supermarket chain's performance. *Kroger* will implement receipt checks at some high theft locations. *Safeway* will remove self-checkout from certain California stores due to increasing theft. *Giant Eagle* will lower prices on 1,000 items for the summer; *Walgreens* will cut summer prices on 1300 items. *Walmart* opened its fourth next-generation fulfillment center, a 1.5M sq. ft. facility in Greencastle, PA, employing 1,000 associates. *Dollar Tree* will lay off a number of corporate staff. In Canada, *T&T Supermarket* will partner with *DoorDash* for 33 locations & the retailer will open their second store in Washington state. *Amazon* will partner with *Grubhub*, allowing USA *Amazon* customers to order from *Grubhub* affiliated restaurants. *Red Light Holland's Happy Caps Mushroom Home Grow Kits* are now available at 67 *Costco* locations across Canada. *JM Smucker* will launch *Jif* chocolate peanut butter, *Jif's* first major flavor innovation in nearly a decade. *Lipton* will launch a flavonoid-rich green tea. *Campbell* will debut a line of *Prego* creamy pesto sauces, for all of us pesto lovers. *Del Taco* & *Carl's Jr.* will remove *Beyond Meat* offerings due to a lack of sales. *Sweet Loren's* will expand its offering with ready-to-use pizza, pastry & pie doughs. *CVS*, under its *Well Market* brand, will launch 40 functional snacks, beverages & grocery items with trendy flavors that feature probiotics, fiber, protein & superfoods. Cultivated alt-dairy brand *Bored Cow* will be available in 2,000 *Albertsons* stores nationwide. Popular iced tea brand *AriZona Tea* will introduce *AriZona Ice Pops*. *Jones Soda* launched its first canned product. *Kroger* is adding new functional offerings to its *Abound* premium pet food line featuring vitamins, minerals, botanicals & probiotics. *Parsley Health* will partner with *Daily Harvest* on a *Longevity Collection* of plant-based bowls, smoothies, pastas & soups designed to improve longevity. In South Korea, alt-seafood maker *Pulmuone* will partner *ABB Korea Robotics* to develop robots for cultivated seafood. *Campbell Soup* will invest approximately \$230M in the next three years to upgrade manufacturing sites, leverage its network of co-manufacturing partners, close inefficient plants & shift production to more modern & effective facilities. *Mondelez* opened a \$5M innovation kitchen in Singapore. *Hearthside Food Solutions* plans to close its production facility in Nashville. *Cargill* workers are striking at an Ontario production facility. Missouri Western State University dedicated a portion of its *Convergent Technology Alliance* Center to meatpackers *Triumph Foods* & *Daily's Premium Meats*, offering applied learning labs that will be used for meat industry innovation for years to come. *Wabash Valley Producer's* egg laying facility in Farina, IL was destroyed in a fire on May 29 with a loss of 1.2M hens. A fire at *Tyson's* Snow Hill, MD feed mill was still after one week. California will ban reusable plastic bags after the ban of single use plastic bags (bags that are actually reusable too, as any dog owner knows) failed to reduce volume. Illinois appears to be ready to end its grocery tax. Four million chickens were destroyed due to HPAI in Iowa. *Post Holdings* cites 14% of their egg production has been affected by HPAI. A complaint has been filed at the DOJ over *Tyson's* hiring practices that discriminate against USA citizens. *Poppi* is facing challenges to its gut health claims. The FDA ruled that *Tara flour's* use in human food is not safe; the ruling does not apply to *Tara gum*.

Per the *Axios Harris Poll 100*, some CPGs, QSRs, big box & grocery retailers experienced a dip in their reputation score from 2023 to 2024 due to this administration's inflated prices; *Amazon*, *Costco*, *Kroger*, *Procter & Gamble* & *Kraft Heinz* saw their score drop. From *FMI*, 91% of shoppers are concerned with rising prices & have changed their shopping habits with 32% buying fewer items. *The National Restaurant Association* forecasts 525K jobs to be added for the summer months. From the USDA, per capita coffee consumption reached its peak in 1946; Americans today drink half as much coffee as people did in the 1940s. From 40 years of data, Carnegie Mellon reports that daily use of marijuana has surpassed alcohol. Orange prices are at record highs due to weather, disease & demand; producers are looking to alternate fruits for what was once orange juice.

**MARKET NEWS:** Markets crashed all week on economic data, slow growth, a sticky PCE core index, weak consumer demand, rising treasury rates, as investors also realized America has become nothing more than a fascist & communist country, led by thugs who have created a travesty of the Constitution, the American rule of law, the justice system & are willing to violate our civil rights. These thugs now openly persecute their opponents with fake crimes using corrupt & biased prosecutors & judges. Despots do this to remain in power by destroying the democratic process, tearing the fabric of our Republic to shreds. Ask yourself if this is the country you want to live in because this can happen to you.

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