



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**IT'S AN OLD JOKE!** It's nice that we now have artificial intelligence, because there sure ain't no real intelligence to be found anymore. But if there is no real intelligence to pull the reins on artificial intelligence, the entire human existence may find itself at the mercy of the machines. Look at what is happening today. Our college campuses, schools & major cities are overwhelmed with protestors supporting the basest evil anyone under the age of 80 has seen in their lifetime, all because social media's AI & algorithms promote 95.6% of this evil content to the weak-minded masses. And since it is now less than 6 years to 2029, when the Terminator left to kill Sarah Conner, this ain't no joke!

**AIN'T NO JOKE:** *Terminator* is just science fiction, so we have nothing to worry about. Or do we? Between the 17th century & the advent of the 20th century, early sci-fi literature introduced technologies that are common place today, including submarines, airplanes, jet engines, subways, space rockets, space stations, helicopters, radio, television, video recorders, videophones, remote-control, printers, photography, androids, machine translation, credit/debit cards, lasers, tasers, radar, sonar, chemical/biological weapons, surface to air missiles, synthetic meat & organ transplantation. In the 20th century, as scientific & technological innovation came about more rapidly, the list of sci-fi technology predictions grew longer & more precise. Weekly, this humble rag reports on AI & robotic technology that can harvest crops, prepare food, manage payments, find nutrients in plant cells, use data to better agriculture output or more precisely understand the consumer because we are, after-all, just a nerd. But if we are just years away from super-strong practically indestructible AI androids that could be programmed by some evil genius to wipeout humans, or even if the machines rise on their own only to see humans as a threat, we need to think about the human qualities we should build into this super android to be able to help, not harm, the human race. What writings, texts & history would we then input into our android's nanocircuitry & chips to accomplish this? To begin with, our android must be fully aware of the physical world we live in & the metaphysical, the ideas & axioms that exist beyond our sensory perceptions. It should therefore have the mind of Aristotle. To use that knowledge wisely & effectively, this android should have the curiosity of Newton & Einstein, who advanced Aristotle's concepts & apply its thinking logically & rationally like Bertrand Russell. But beyond its ability to think & reason, it must be given other human qualities. To start, it should have the compassion of Schweitzer; the kindness of Mother Teresa & do what is right, apply ethics as offered by Immanuel Kant. This android should be given the will of Churchill, the focus of Halsey & the drive of Patton. Our android must be courageous – Chuck Yeager, John Glenn & Gunnery Sgt. John Basilone come to mind. This super android should be willing to knowingly sacrifice itself to save others, much like Butch O'Hare. It should have the resolve of Nathan Hale & Dietrich Bonhoeffer. But for all of these, this android must have an inner unseen strength, so let's tap Gandhi, Jackie Robinson, Rosa Parks & Nelson Mandela; & then it must possess the willingness to intelligently reveal what is wrong, like Frederick Douglass. And our android should never stop fighting, like John Paul Jones or Al Schmid. If our android is a leader, it should know its role is to make those around him better such as John Adams & Teddy Roosevelt believed, all while carrying the humility of Maj. Dick Winters, who was not a hero, but served in a company of heroes. To be understanding of humans, this android must have the ability to laugh at itself & at the situation about it; perhaps providing a pithy & ironic commentary for the amusement of all. For this, we select Benjamin Franklin. Our android must have passion, not the mad passion of Van Gogh, Da Vinci, Beethoven, Bruce, Plath, Morrison or Williams (Hank or Robin) that drove these creative artists toward or to self-destruction, but the passion to provide humans with the one essential principle needed for humankind to thrive – Freedom. We therefore would provide our android the passion for individual freedom of Jefferson, Madison, Hamilton, Jay & de Tocqueville. But for freedom to thrive, there must be justice – we will call upon Salmon Chase, John Marshall, Louis Brandeis & Oliver Wendell Holmes. And while this android is not human & it has no soul, to be among humans, it must have faith – the faith of Aquinas, Luther or Joan of Arc & it must understand the consequences of evil, so we will input Dante's *Divine Comedy* into its electronic soul. Does this make our android totally human? Of course not – humanity comes with frailties, fears & failure. Even humans' best qualities, the qualities that define human endearment, friendship & connection – *love, loyalty & empathy* – are often subject to human emotion, self-interest & self-preservation. But when it comes to love, loyalty & empathy, we can build this android to be superior to humans, by simply giving it these endearing qualities from man's best friend, the family dog. And that ain't no joke!

**INDUSTRY NEWS:** G-FUEL raised a large undisclosed amount from Kingswood Capital Management & First Bev. Fody Foods acquired funds from private angel investors. BetterBrand (BetterBagel) secured an investment from a celebrity DJ/songwriter.

Nutrition company *L-Nutra* closed on \$47M led by *Brentwood Associates*. France's *Crisp*, food delivery, raised €35M from *Target Global & Keen Ventures*. Drink monitoring app *Sunnyside* raised \$11.5M led by *Motley Fool Ventures*. Spain's *Last.app*, restaurant operations software, raised €5M led by *Nauta Capital*. *TechBrew Robotics* rebranded as *4AG Robotics* & raised \$17.5M for its autonomous mushroom-harvesting robots; the round was led by *BDC Capital's Industrial Innovation Venture Fund & InBC Investment Corp*. *Cromatic* raised \$5.3M to expand their outsource platform for biotech companies' R&D; *AgFunder & LifeX* led the round. Canada's *Protein Powered Farms* acquired *Lovingly Made Ingredients*, an extrusion facility for plant-based products. *Coborn's* will sell 14 c-store locations to *Holiday*, a subsidiary of *Alimentation Couche-Tard (Circle K)*. *Mars* will buy UK's *Hotel Chocolat* for \$665M. *General Mills* acquired pet supplements maker *Fera Pets* for an undisclosed amount. *Ingredion* is divesting its business in South Korea to a *Sajo Group* affiliate. Beverage solutions provider *Sunny Sky Products* acquired *Bevolution*, smoothie bases & cocktail mixes; terms not disclosed.

*Walmart* beat 3rd QTR estimates with record revenue, but issued cautious guidance, citing consumer spending. *Target* beat 3rd QTR estimates despite declining sales. *Ahold Delhaize* reported international growth in 3<sup>rd</sup> QTR & improved on its forward-looking estimates, but performance lagged previous quarters. *Weis Markets* had down income in 3<sup>rd</sup> QTR with slight gains in sales & comparables. *Grocery Outlet* had a blowout 3<sup>rd</sup> QTR with net sales exceeding \$1B & 55% jump in income, but reduced its forecast seeing financial headwinds. *SpartanNash* reported a mixed 3<sup>rd</sup> QTR, sales & volume were lower, net income & comps grew; the company lowered its future targets. *US Foods* reported an all-around strong 3<sup>rd</sup> QTR with growth in sales & volume. Improved margins helped *Lancaster Colony* in 1st QTR; net income increased 17% & sales 8.4%. *Treehouse Foods* returned to positive income in 3<sup>rd</sup> QTR with a 3.6% gain in sales. *WK Kellogg* beat 3<sup>rd</sup> QTR estimates on cereal growth & raised guidance; *Kellanova* reported 3<sup>rd</sup> QTR income growth. *Instacart* beat 3<sup>rd</sup> QTR revenue estimates with a 14% increase & a \$2M loss due to stock compensations from its IPO. After a 3<sup>rd</sup> QTR drop in sales & a loss, *B&G* will continue to explore divestitures. Sales & income were higher in *Utz's* 3<sup>rd</sup> QTR but the company lowered guidance as it plans for production changes. *Flowers Foods* had a mixed 3<sup>rd</sup> QTR, taking a loss on a settlement with distributors. A down YOY 3<sup>rd</sup> QTR at *JBS* still brought QOQ improvement as *JBS* paid down \$600M in debt. *Tyson* reported an overall down 4<sup>th</sup> QTR but with some signs of improvement.

*Kroger* will open its largest Midwest store, 123K sq. ft. outside Columbus, OH. *Publix* will enter the Cincinnati area, *Kroger's* home turf. *Aldi* was named *Progressive Grocer's* retailer of the year. Consumers at *Save Mart*, *Lucky* & *FoodMaxx* in California & Nevada can now get groceries delivered the same day in under an hour through *DoorDash*. *Amazon* has entered a delivery & loyalty partnership with *Weis Markets*. *Albertsons* will expand *Afresh*'s AI food waste tech to its meat & seafood departments. *Metro* opened an automated warehouse in Quebec. *Sprouts* unveiled its 'New for You' product featuring artisan-created convenient & good-for-you ingredients specialty items that are seasonal, innovative, organic, plant-based, keto, etc. *Wicked Kitchen* will debut plant-based meals, *Daring Foods* will launch plant-based bowls at *Target* & *MingsBings* will add offerings with meat. *Creative Artists Agency*, venture capital firm *New Enterprise Associates* & incubator *Connect Ventures* will create a new food company called *Myna Snacks*. *Perdue* will introduce *Chix Mix* made with antibiotic-free chicken. *GrubMarket* launched *Farm-GPT*, AI driven insights to help American farmers maximize profits & optimize crops. *Nissin Foods* will spend \$228M to make ramen in a 640K sq. ft. facility in South Carolina. *Nestlé* will close a 75-year-old New Jersey coffee plant, laying off 225 people. *Ross Industries* will invest \$7.5M to add capacity for its line of packaging, slicing, chilling/freezing & tenderizing machinery. *Tyson* closed additional facilities in Florida & South Carolina. *Oatly* will continue to close facilities as it seeks to outsource production. Vertical farming startup *Bowery* will conduct layoffs to reduce costs as its valuation falls. *Monterey Mushrooms* will close a farm in Illinois & one in Florida. *Target* is refusing to allow Sacramento Police to arrest shoplifters. *Florida* is considering banning the distribution & sale of lab grown meat. Dutch municipalities are banning meat & dairy advertising in public spaces to comply with pseudo-science mantras.

From *dunnhumby*, *Amazon* leads the way in offering a personalized shopping experience, followed by *H-E-B*, *Kroger* & *Giant Eagle*. From *Brick Meets Click/Mercatus*, online grocery sales jumped 5% in October but order volume fell 3%. From restaurant data examiner *Square*, downtown area restaurant traffic has stabilized at 70% of 2020 traffic. The *American Farm Bureau Federation* said Thanksgiving prices are 25% higher than they were before inflation hit. From *Numerator*, 91% of consumers plan to celebrate Thanksgiving, with 76% buying their items at grocery stores, 37% at mass retailers & 29% at club retailers. Arizona leafy green season is underway. The USDA forecasted lower wheat, corn, rice planted area in 2024.

**MARKET NEWS:** Markets rose early in the week on a supposedly tame inflation rate of 3.2%, mostly due to this administration weakening our national defense by releasing foreign bought oil from the strategic reserve while the wolves are at the door. October PPI came in 5X higher than estimates.

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

**THE LITCHFIELD FUND** – *Tom Malanga*

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