



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



AFTER THE WAR OF 1812, President James Monroe wanted to unify the country. Monroe, like Jefferson & Madison, was a Democrat-Republican, but realized that many Federalist policies helped in the war effort. He downplayed party politics & took a goodwill tour of the country. Americans were excited! The War of 1812 ensured our independence, the *Monroe Doctrine* established our leadership in the security of the Americas, Americans moved west, industry prospered, agriculture blossomed & common sense replaced party politics. This spirit lasted until Andrew Jackson was elected in 1828. His election caused a split in the Democrat Party & ended the *Era of Good Feelings*.

GOOD TO GILDED TO GOLDEN: The late 1820s began a series of heated debates that culminated in the Civil War. Arguments raged between the federal government's role & states' rights; between urban industrialization or an agrarian society; between free versus slave. This contentious environment lasted until the end of Reconstruction with the election of Benjamin Harrison in 1876. Until then, America not only contended with the Civil War but the Panic of 1873 (due to the failure of the European stock market, railroad overexpansion & speculation & the failure of banking firm *Jay Cooke & Company*) which caused a multiple year depression. But from the late 1870s until the next century, America prospered - it was the Gilded Age! Of course, this period is characterized by greedy Robber Barons living in ostentatious mansions while the common folk suffered. But it was truly an era that moved America forward, both the wealthy & the worker. The industrialists of this age - Rockefeller, Carnegie, Morgan, Vanderbilt, Gould, Frick, Flager, Fisk, Ford, Hearst, Field, Eaton, Stanford, Mellon, Harriman, Crocker & others - prospered in a synergistic & symbiotic effort. Along with the great inventions of this period from Edison, Westinghouse, Pullman, Morse, Bell, Goodyear, Eastman & others, it was an almost perfect growth environment, an ecosystem for success. The coal & oil fueled the factories that made the steel to build the railroads & cities. The railroads ran on coal & oil & then moved the coal, oil & steel to the cities & factories where it was needed! The banks financed the growth. People migrated to the city & legal immigrants came ashore for the available jobs. The department store was born to provide goods. Inventions made the world move faster - better communications, quicker & safer travel, & lights for our cities & factories. Philanthropic efforts built libraries, museums, universities, hospitals. Historians disagree on when the Gilded Age ended. Many say the turn of the century when somewhat sensationalist journalists exposed the ills of society & government corruption while communism infiltrated the working class. (I propose the Gilded Age ended on February 3, 1913. Until that time, the government, except for a brief time during the Civil War, had funded all its activities by revenue raised through tariffs on goods entering our country; but with the passage of the 16th Amendment in 1913, the government was free to tax all income.) Mark Twain, in a novel co-authored with Charles Dudley Warner, dubbed the moniker *the Gilded Age* - shiny on the outside, nothing but cheap tin underneath. Throughout history there have been many eras that have been dubbed a Golden Age. The Golden Age of Greece, Rome or Egypt. The Byzantine Empire, Italy, Spain & England all claim Golden Ages. These years were supposed to be times where everything & everyone thrived; when the economy, science, literature, art, architecture, culture all took leaps forward. The term Golden Age is applied to more than just countries or nations: the Golden Age of Renaissance Art, the Golden Age of English Literature, the Golden Age of Hollywood, The Golden Age of Radio. This humble rag has often referred to the mid-20th century as the Golden Age of American Culture. But it is hard to believe that any of these time periods were truly perfect. While Athens moved philosophy & science forward, there were still wars & slavery. While beautiful art flowed from Venice & Florence, feudal princes fought for control; leaders were assassinated; & plagues, disease & poverty were rampant. And despite having more stars than in all of the heavens, Hollywood certainly made its share of movie clunkers in the 1930s. Many people believe we are about to enter a Golden Age of America. Can we believe this to be true? The early signs would seem to indicate it's possible. Like when Monroe took office, the country is united behind the new President, with polls showing nearly 60% support for his policies. In just a few days, look at the progress that has been made! Thousands of illegal aliens (the now official Government term for those not in America legally) have been rounded up for deportation. The border has been closed. Armed soldiers have been sent to the border, not just to help stem the tide of illegal crossings, but to hunt down the cartels trafficking drugs, women & children. The Laken Riley act has reached the President's desk for signature - despite 35 Democrat senators & 158 Democrat congressmen voting against it, apparently these politicians want rapists, murderers & pedophiles free to roam our streets. The President already saved trillions of dollars by exiting the worthless China-oriented Paris Accords; ending all New Green Deal spending as well as EV & appliance mandates; exiting the corrupt World Health Organization; freezing foreign aid & government hiring; & ending handouts to United Nations organizations that support & harbor terrorists & hide the terrorists' hostages. Foreign countries have already agreed to make more than a \$1T investment in USA industries & products & a joint partnership has been created to advance our AI infrastructure to the best in the world. Major manufacturers are moving jobs back to America! The President has moved billions of dollars from supporting illegal aliens to FEMA to support those struggling in the aftermath of Hurricane Helene. And the President made perhaps the most significant Civil Rights moves in more than 60 years by freeing the last Administration's political prisoners; ending gender confusion for those that were confused; protecting women in sports, bathrooms & locker rooms; & ending the racist hiring & promotion practices of government - no longer will people be judged by the color of their skin, their life choices or gender but by the quality of their work, experience, knowledge, abilities & skills. On top of that, as snow rages from South Texas to New Orleans to Northern Florida, apparently global warming is no longer an issue! All of this, in just a few days, with four years remaining to move America forward! Benjamin Franklin & D.H. Lawrence believed that the present was never a Golden Age - a Golden Age could only exist in the past, viewed with a bit of nostalgia. But Shakespeare felt the Golden Age always lies before us. If our country can unite around common sense, like we did during the *Era of Good Feelings*, we can move our country, our society & our citizens into a new Golden Age of American Exceptionalism & unlike the superficial Gilded Age, it will be real, solid, thorough, deep & hopefully, everlasting, from Mt. McKinley to the Gulf of America!

INDUSTRY NEWS: *Ethel's Bakery*, gluten-free desserts, raised \$2.5M from undisclosed investors. *Wooden Spoon Herbs* raised \$1.3M from undisclosed investors. Non-alc beverage *Hiyo* raised a \$19M Series A from undisclosed investors. In the UK, *Tribe*, an energy snack brand, raised £2.4M led by *Mercia Ventures* with *Yeo Ventures*, *Crowdcube* & others involved. *Mighty Slice*, protein desserts, raised £750K from investors. Faux-meat & faux-coffee maker *Pluri* raised a \$6.5M private investment & acquired a majority of faux-chocolate brand *Kokomodo* from *Chutzpah Holdings* & *Plantae*. In Germany, faux meat tech company *Project Eaden* raised €15M from *Planet A*, *REWE Group*, *DeepTech* & *Climate Fonds*, *Happiness Capital*, *AgriFoodTech Venture Alliance*, *Foodlabs* & *Creandum*. *Farm Credit Canada* took a strategic investor role with Canadian commercial indoor vertical farm *GoodLeaf Farms*. In France, *AISPRID*, autonomous greenhouse tomato deleafers, raised €10M led by *Innovacom* with the *French Tech Seed Fund* involved. In India, direct-to-consumer fresh farm produce platform *KisanKonnnect* raised \$4.5M led by *Mistry Ventures*. *Mr. Greens Produce*, produce & specialty food foodservice distributor, acquired *Parishables Food Service*. Kosher & specialty foods supplier & distributor *Kayco* acquired *Paramount Foods*, a New Jersey-based family-owned business providing bulk nuts, dried fruits & grains to New Jersey supermarkets. *Benford Capital Partners* sold *Pasture Brands* (*Farmers Hen House*, *Pillars Yogurt*) to an undisclosed buyer. *Unilever* sold its German brand Pasta sauces to *Casalasco Group*. In Canada, *Fresh Direct Produce* will sell *Mike & Mike's*, an organic fruits & vegetables distributor to one of its original founders, not surprisingly, a guy named Mike. *Third Wave Water* acquired *Perfect Coffee Water*. Despite \$600M in annual sales, *FreshDirect* is losing millions of dollars a month & facing insolvency; the recent NYC congestion tax has added to their problems. *Molson Coors* rejected an offer to sell their brewery that manufactures *Leinenkugel's* back to the beer's namesake family; *Molson Coors* has plans to use the brewery for other purposes. In the Netherlands, plant-based cheese startup *Willicroft* has closed operations. India's quick delivery platform *Zepto* will expand its planned IPO to between \$800M & \$1B.

McCormick beat full year forecasts but had a slightly down 4th QTR as net income totaled \$215.2M, down from \$219.3M, while net sales grew 2.6% to nearly \$1.8B. Volume was down but revenue was higher due to cocoa inflation for *Barry Callebaut* in 1st QTR.

BJ's will enter Kentucky, its 21st state. *Hy-Vee* will end its *Wahlburgers* relationship with a move to a revamped *Market Grille* concept. *Wegmans* will partner with *Uber Eats* for delivery. *SpartanNash* will close three *Family Fare* stores & a *VG's Grocery* location; 120 people will lose their jobs. *Costco* employees authorized a nationwide strike should a new contract not be finalized by January 31. Colorado *King Soopers* & *City Market* workers are preparing to strike. *Walmart* will increase pay & bonuses for its regional market managers. *Instacart* will advance its *Caper Cart* functionality with *NVIDIA Jetson* hardware. Dutch online supermarket *Picnic* has added 185K Paris households to its delivery network. *Grubhub* will partner with *Olo*, an ordering app for restaurants, to outsource *Olo* users' delivery to *GrubHub*. *Walmart* opened new offices on its Bentonville campus. In the UK, major grocers *Sainsbury's* (3K head office staff roles) & *Morrisons* (200 staff) are cutting jobs. *Perdue Farms* will close a processing plant in Monterey, TN, impacting 433 employees. *Wisconsin Whey Protein* is building a new plant at its Darlington, WI, campus. Farmer-owned cooperative *CHS* doubled the capacity of its grain facility in Warren, MN. *Dollar General* cut 60 employees at Tennessee headquarters amid financial struggles. *Conagra* & Dolly Parton will expand their partnership with additional collaborations. *Suja Life* will relaunch the classic *Slice* citrus soda as a functional beverage. *Dave's Killer Bread* will introduce *Organic Snack Bites*. *Meati* has launched breakfast patties in *Sprouts Farmers Market*. Protein bar *Aloha*, removed from *Target* shelves seven years ago, has returned to 1,000 *Target* stores. *Incredibrew* is now offering new functional coffees with vitamins, protein, collagen & melatonin. *Danone* reports higher yogurt sales due to GLP-1 users. The Non-GMO project will pilot a non-ultra processed food certification program. *Target* will scale back its biased employee hiring & promotion practices & marketing programs. *Walmart* is being sued for removing its racist employee practices & instituting hiring & promotion practices based on merit, experience & performance. *Mosa Meat* applied for EU approval to sell lab-grown beef fat. *PepsiCo* is being sued by the FTC for supposedly giving preferential pricing to one big box retailer. The FTC is suing *John Deere* for monopolizing repair services for their tractors & farm equipment causing farmers to overpay for repair services. *Buc-ee's* filed a lawsuit against *Super Fuels*, alleging infringement based on the company's cartoon logo. *Cargill* will pay \$32.5M to settle turkey price fixing charges. Preliminary approval was given for an almost \$200M settlement in the beef processor wage-fixing lawsuit. The SEC settled charges against *GrubMarket* concerning overstating revenue to investors by more than \$500M. Our President issued an Executive Order calling for a review of USA trade relationships with Canada, China & Mexico. Rachel Ferdinando was named president of *PepsiCo Foods USA*. Jason Potter of *The Fresh Market* will be CEO of *Grocery Outlet*; Brian Johnson takes over at *The Fresh Market*.

According to *SPINS*, natural & organic product sales reached \$320B in 2024 & will grow to \$384B by 2028 at a 5% CAGR. Natural & organic products have added 2M shoppers, these shoppers visit the store 6% more often than conventional shoppers. Per *Aldi*, 52% of Britain's consumers throw away untouched food, wasting £520 a year. A study from the journal *Gut Microbe Reports* shows that brain & memory functions improved in rats that were fed a Mediterranean-style diet that included foods rich in olive oil, fish & fiber. Baked goods prices rose 24.2% under the failed & disastrous Biden administration. Egg prices rose 31¢ a dozen in the first two weeks of January. *Rabobank* projects contraction in the meat industry while poultry is expected to gain market share.

MARKET NEWS: Markets rose with the S&P 500 hitting records. Investors reacted to the uplifting & positive inauguration speech which detailed plans that will move America forward & the President's "America is Open for Business" message to foreign investors.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – Tom Malenka

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