



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



JUNE, SUMMER'S FIRST MONTH, is a month of hope. Not just for a fun summer, but for all the future possibilities! School's out! Graduation parties, preschool to grad school. June is for weddings, so many couples also celebrate anniversaries (our #26 this week!). For families, vacation planning has started; the summer kids sports leagues are well underway; summer camps are running & the pools & beaches are open for business! Growing up in a house with Greatest Generation parents, June was special because once, during WWII when American boys strewn across the world fighting for freedom & their families at home, there was finally hope they would soon be home. June hope.

JUNE HOPE: Whether it was a rainy summer day, a frozen winter afternoon, a sick day from school or a nice summer day after running myself to exhaustion, I liked to read. In the house, on the bottom shelf of a homemade bookcase, was a set of dark red covered tomes with black lettering. After the war, the government released a photographic history of the war & my dad, though not much of a reader, had gotten a set. Just photographs with captions. Real, unfiltered photographs with no trigger warnings. Devastating battlefield photos. Photos that depicted the true evil & hell of the Nazi concentration camps. I read & reread those books throughout my childhood. Of course, I checked all the photos taken in New Guinea & the Philippines, looking for my dad! All the photos of the beach landings, stretcher bearers & field hospitals, where I might see him, then a young field hospital corpsman in his early twenties. Two things tunneled into my young brain: this happened just 20 years before & these photos were of boys, older than me, but the same age as older boys in the neighborhood! How could the world have been so insanely evil such a short time ago & how were these boys, like the boys in the neighborhood who occasionally played catch in the street with us, gave us a comic book they had read or taught me how to ride a two-wheeler, be sent to fight such evil? My dad talked to us about the war, often after a few beers. I remember him saying when the boys in the South Pacific heard about D-Day, they were hopeful the war would soon end. When they heard about FDR passing in April 1945, they thought they would never get home, as FDR had been President for much of their lives. In the first week of June, the two major turning points of WW2 took place: Midway ([MIDWAY, 5/25/2022](#)) & D-Day ([EYES OF THE WORLD, 5/25/2019](#)). These two events, Midway, which stopped any likelihood of further Japanese advances, & D-Day, which began the march toward Berlin, were both similar & very different. Midway was a gamble, with very little planning & a quickly thrown together force of battered aircraft carriers, obsolete aircraft unfit for the coming battle & men who had not yet seen much of a battle. D-Day was planned for years; the men were well-trained, some battle tested in Africa & Sicily & the latest equipment & arms were stockpiled across England & Scotland. Japan was at the near height of its power, despite the stand-off at the Coral Sea. The Allies, with the American P-51 Mustang leading the way, had devastated the once storied Luftwaffe; & Nazi Germany was in a battle of attrition with the USSR in the East. The D-Day attack plan was orchestrated minute-by-minute, it was intense & complex; where the enemy was located, their strength & possible reinforcements were well-known. At Midway, pilots were out searching for the enemy over a vast barren ocean, squadrons got lost & confused; only luck, or God, allowed the attack forces to be in the same place at the perfect time. The outcome of both battles was in doubt. At Midway, heroic squadrons led attack after attack until the last of the aircraft carriers & heavy cruisers were sunk or retired from the fight. On D-Day, *The Longest Day* finally ended as the Rangers "led the way," breaking through at Omaha Beach to move inland. In one sense, these battles were not victories. After Midway, the *Big E*, the USS Enterprise (CV-6), was the only serviceable aircraft carrier in the Pacific Fleet & would stand alone against any Japanese invasion of the USA homeland. At Normandy, the Allies would be bogged down for months in the hedgerows, fighting in small exchanges for yards of ground. Today, it is estimated that less than 150 veterans of the D-Day assault are still with us here in this earthly world. They were mere boys when they took on the greatest evil the world had ever seen. An evil spawned by religious, racial & ethnic hate, fueled by despots who sought to retain their absolute control. As a child I pondered how all this happened just 20 years earlier. But in my naïve young mind I believed that because it had just happened & it had been so devastating, it could never happen again. Not to the world; not to America. I wonder how these veterans of D-Day, the boys of June 6, 1944, feel about the world they see today? The hate we see around the world & here on our own streets & campuses. The despots around the world who clamp down on human rights & those right here who attempt to jail their political opponents & deny this democracy its right to vote for the candidate they support. Today, some 60 years later, I sadly, almost hopelessly, laugh at my youthful naivete. Yet today, a good number of those brave, courageous young boys who burst through the gates of a fascist hell worse than anything Dante dreamed, stand once again courageously on the beaches of Normandy, 80 years later, to honor their brothers who fell, the freedoms for which they fought & I pray, themselves. Author Stephen Ambrose believed D-Day was the most pivotal day of the 20th century, the day the world decided between fascism & communism or democracy. General Eisenhower wanted nothing less than a complete victory. It seems, just 80 years later, we stand with the same choice, & with the *Eyes of the World* upon us - we must decide between the despots or a democracy, with a full, complete victory the only solution that saves us. With inspiration drawn from these few dozen veterans on the Normandy beach, the 4400 Americans who died that day & the hundreds of thousands of boys who stormed the beaches, flew the planes & manned the ships; we have hope that those around us clearly see the choice. Hope. June Hope.

INDUSTRY NEWS: Celebrity founded *Sprinter Spirits*, RTD vodka soda, raised \$12.8M. Non-alcoholic wine *Surely* raised an undisclosed amount led by *Pure Ventures*. *Craize Snacks*, better-for-you crackers, secured \$2.1M from undisclosed investors. *Hunter & Gather*, maker of all-natural oils, sauces, supplements & collagen, raised £500K led by *Black Investment*. *Good Guys Bakehouse*, wafer-based biscuits, raised an undisclosed amount from industry executive angel investors. *ByHeart* added another \$95M from investors including *D1 Capital Partners*, *Bellco Capital*, *Polaris Partners*, *Two River*, *OCV Partners*, *AF Ventures*, *Red Sea Ventures*, *Gaingels* & others. *HerdDogg*, data-driven livestock management, closed a significant round led by *Serra Ventures* & *Wonder Fund North Dakota*, with additional investments from *Innova*

Memphis, Open Prairie, Sheldon Group, Trailhead Capital & Lever VC. IntelliCulture, technology to manage & plan for farm equipment use & maintenance, secured \$3.5M for expansion to the USA. *Protein Industries Canada* will enter a \$6.2M funding effort with *Lupin Platform, PURIS Holdings & YOSO Canada* to bolster the lupin value chain in Canada for farmers & producers. *Prolific Machines*, using light activity to control protein growth in cells for biomanufacturing, raised \$55M led by *Fonterra's Ki Tua Fund*, with *Breakthrough Energy Ventures, Mayfield, SOSV, Shorewind Capital, Darco Capital, Conti Ventures, In-Q-Tel* & several others involved. In Germany, IoT supply chain transparency startup *Packwise* raised an undisclosed seven-figure amount to expand to the USA. *eFishery* received a \$30M loan from *HSBC Indonesia*. In Sweden, *Nordluft* completed a raise from *Södra Ädla & EIT InnoEnergy* for its forestry precision spreading platform. *Nory*, AI restaurant technology platform, raised \$16M led by *Accel*, with participation from *Anamcara Capital, Cavalry Ventures, CircleRock Capital & others*. In England, *Aeropowder* raised £150K from the *British Design Fund* to launch thermal packaging made from surplus feathers. *Wicked Kitchen* was acquired by plant-based brand platform *Ahimsa Companies*. Billionaire *Chobani* founder Hamdi Ulukaya purchased *Anchor Brewing*, the oldest USA craft brewery that closed last year, for an undisclosed amount. *Nissin Foods* will acquire *Gaemi Food*, a South Korean snacks company for \$35M from *Sung Gyung Food*. Milk & ice cream manufacturer *Oberweis Dairy* was purchased out of bankruptcy by PE firm *Hoffmann Family of Companies*, for likely more than \$20M. In Europe, *Bain Capital's Valeo Foods Group* acquired fellow bakery *Dal Colle*, manufacturer of pandori, panettoni & croissants. Dutch snack manufacturer *The Monchy Food Company* purchased the *Nutisal* roasted nuts label from Swedish company *Cloetta* for €5M. *Keurig Dr Pepper* acquired Arizona-based *Kalil Bottling*. *SPINS* acquired *The Data Council*, a CPG content management platform, combining with their eCommerce & marketing activities. *Aldi* acquired *AC Goatham & Son*, a family-owned fruit farm based in the United Kingdom, for £750M. Discount retailer *Ollie's* acquired 11 former *99 Cents Only* stores in Texas. Korean grocery *H Mart* acquired a San Francisco shopping center for \$37M. *Campbell* confirmed plans to divest its *Noosa* yogurt business, which it acquired in its recent purchase of *Sovos Brands*. *Dollar General* is reviewing the sale of *Family Dollar*. Japan's *Suntory Holdings* denied being in discussions to acquire *Boston Beer*. SoCal founded *Rubio's Coastal Grill* will shut down 48 stores in California due to the rising costs of California's minimum wage law & filed for Chapter 11. Ag insights platform *Gro Intelligence* will shut its doors due to lack of funding. *Takeoff Technologies* filed for bankruptcy. In Brazil, *Darwin Startups* created a \$20M fund to invest in pre-seed & seed startups in health, agriculture & logistics sectors. Sustainable aquaculture investor *Hatch Blue* announced a new \$10M fund for its second accelerator investment vehicle.

Costco continues to grow as 3rd QTR earnings were impressive. Sales were lower at *UNFI* in 3rd QTR with a net loss; *Whole Foods* volumes were higher. *Flower Foods* showed 1st QTR growth, beat estimates & raised its dividend. *Campbell Soup* beat 3rd QTR estimates & raised its forecast for annual net sales growth following the successful integration of *Sovos Brands*. *JM Smucker* continued with a string of positive quarters with 4th QTR earnings beating expectations due to price increases & volume. Despite beating estimates for 4th QTR, *Brown-Forman's* stock dropped on slumping sales of whiskey & spirits.

Heinen's is working on a new Naperville, IL location. *Dollar General* will remove self-checkout at 3,000 stores due to high theft. *Walmart* will offer its *InHome* delivery to another 10M households, a 30% increase in coverage. *Foxtrot* appears ready to resurface with its original co-founder back in place. *Albertsons & Uber* will partner to deliver surplus food to local food banks from *Albertsons* locations. *Starbucks & GrubHub* will partner on delivery. *Sam's Club* will ask its members what private label products they want to see offered. Protein bread *EQUIL* will expand into *Hy-Vee* grocery stores. *Pepperidge Farm* launched spicy dill pickle-flavored *Goldfish*. *McCormick* will enter the frozen bowl space with *Cholula* hot sauce flavorings. *Little Spoon* will expand with breakfast SKUs & an *Oatly* collaboration. *Consumer Reports* reported that *Lesser Evil's* better-for-you kids snacks have 'concerning' amounts of lead. *Eat Just* reformulated its alt-egg for the fifth time. *Unilever's The Vegetarian Butcher & The Every Co.* will partner to replace eggs in *The Vegetarian Butcher's* plant-based meat products. *Patagonia Provisions* has added a new innovation, beer made from the *Kernza* grain. *GrubMarket* will launch *AI Orders*, an AI-powered, automated order processing as part of *GrubAssist*. *TraceGains & iFoodDS* will collaborate to accelerate supply chain traceability & data. *Schwan's* will add 700K sq. ft. to its facility in Sioux Falls, SD. *Funtrition*, a gummy manufacturer, has opened its second facility in Miramar, FL at 62K sq. ft. *Puratos* opened a new R&D facility in Belgium, called the *Sourdough Institute*. *PepsiCo* will eliminate 88 jobs at its *Frito-Lay* potato chip facility in Middletown, NY. *Ruiz Food* will close its Tulare, CA, production facility which employs 215 workers later this year. *Soli Organic* opened a 140K sq. ft. vertical farm in San Antonio. *Oishii* will open a new 237K sq. ft. indoor vertical strawberry farm in Phillipsburg, New Jersey. Wisconsin meat processor *Strauss Brands* will close its Wisconsin grass-fed beef production line & move it to *Kilcoy Global Foods*. *Smithfield Foods* will purchase *Cargill's* dry sausage production plant in Nashville. *Save Mart* will pay \$1.6M on claims of selling expired products such as OTC medications, baby food & infant formula. HPAI was found in an Iowa turkey flock.

From *Rich Products & DataEssentials*, 56% of consumers purchase donuts once a month with 68% buying them on-the-go for a snack. *Kantar* placed *Coca-Cola* as the FCMG brand with the most reach, almost twice as much as number two *Colgate*; *Knorr* was #5, *Lay's* was #6, *Pepsi* #7 & *Nescafe* #10. *Dr Pepper* has passed *Pepsi* for second place as America's favorite soda! From the *California Business Alliance*, California has lost 10,000 fast food jobs in the two months since its minimum wage hike. Free-from claims & health benefits are leading consumers to spend up to 30% more on products, per *Ingredion*. European feed production will fall slightly for the 4th consecutive year. Iceberg lettuce prices are rising; romaine lettuce prices are falling. Cocoa prices are higher as manufacturers are panic buying. Lime & lemon supply will be tight in June & prices are expected to rise.

MARKET NEWS: Markets were higher this week. The odds of July or September rate cut fell. Economic data was mixed. The workforce added 272K new jobs in May, with almost 50% in government run services; 408K jobs were lost, mostly in small business. Full-time jobs lost were 3 times the part-time jobs added! The unemployment rate rose to 4% but wages rose 4.1% YOY.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malenjo*

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