



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



"MAY YOU LIVE IN INTERESTING TIMES." This has often been referenced as a Chinese curse. In truth, the closest reference in Chinese literature is a 17th century quote, "*Better to be a dog in times of tranquility than a human in times of chaos,*" from a short story collection written by Feng Menglong. Curse or not, this sarcastic, perhaps sardonic, phrase expresses the sentiment that interesting times are filled with bad, turmoiled, confused, threatening or deadly events. But interesting could mean historic & meaningful, creating a once-in-a-lifetime, maybe even a once-in-a-generation, experience or memory. But not every historical or meaningful event is consequential.

CONSEQUENTIAL: Some may be surprised that for almost my entire life I dreamed that if I could be present at any moment in history, I would find myself in snowy New York City at *Aeolian Hall* on February 12, 1924. In a hot, stuffy, standing room only concert hall, the *Paul Whiteman Orchestra* debuted a work Whiteman commissioned from a 25-year-old composer who sat at the piano. George Gershwin's *Rhapsody in Blue*, a symphonic composition with modern, atonal passages but driven by elements of jazz & ragtime, completely captured the noise & tempo of New York City! *Rhapsody in Blue* forever changed the world's appreciation for American music & culture. While an historic & important event, it is far from consequential to the chain of history & humanity. There are many exciting events in history that would have been thrilling to witness. Who wouldn't have wanted to be in the audience at the Monterey fairgrounds when Janis Joplin took the stage to sing *Ball & Chain*? Or hearing Jimi Hendrix play the *Star-Spangled Banner* at Woodstock? What about being in Atlanta at the premiere of *Gone with the Wind*? Historic, but hardly consequential! A consequential moment in human history should change things, quickly & forever. This humble rag often cites Gutenberg inventing the printing press in 1440 as critical to the development of a free world & press. But it was a decade before the *Gutenberg Bible* brought the Word to the common man & many more decades to reach the multitudes. Luther wrote his *95 Theses* & tacked it to the Castle Church door in Wittenberg in 1517 but the Reformation would cause centuries of bloodshed & violence. Columbus ran into America, but it took more than 100 years to form a successful colony! Imagine hearing Plato or Aristotle lecture; Newton describing gravity & his Laws of Motion or discussing relativity with Einstein. These events changed the world, but not immediately. It took decades & centuries to understand many of these teachings & principles & apply them to make a difference in the world. Even if you followed His path in the Holy Land some 2,000 years ago, it still took three centuries for Christianity to be accepted! And probably no one was around when one of our most innovative ancestors chiseled a wheel from stone to lighten his burden! Certainly, the American Revolution was consequential. The world was immediately different. A free nation, founded on individual rights, suddenly assumed "*among the powers of the earth, the separate & equal station to which the Laws of Nature & of Nature's God entitle them.*" This had never happened in the world! But what was the most consequential moment of the Revolution? Was it the "*shot heard round the world*" as a ragtag Massachusetts militia turned back the British Army at Concord & Lexington? Was it the signing of the *Declaration of Independence*? Was it the surrender at Yorktown? Or was it the moment George Washington defended the Constitution by stepping away from the Presidency to ensure the ongoing peaceful transfer of power? The end of the Civil War, April 9, 1865, was a consequential day, not just because it changed America for the better. It proved to the world that this young republic, which kings & despots around the world prayed would fail, could survive its inner turmoil & rise better & stronger. The war's ending proved that this concept of government by the people & for the people, centered upon individual freedoms, was indeed the last, best hope of Earth. D-Day, June 6, 1944, was a consequential moment in the course of human history. Why? On that day, America assumed the mantle of Greatness it had so rightfully earned, proving to the world that no matter how great the evil, it can be defeated when men of good heart, fortified by their love & respect for freedom, come together. Of course, today, less than 2% of the population are alive & old enough to hold the memory of that consequential day in human history. That means more than 98% of us have not lived during a consequential moment in human history. Until Now! Less than two weeks ago, the entire world witnessed a consequential moment in history! The world immediately changed when America had a strong leader who is putting America First. Around the world & within our country, just like on D-Day, people now realize that evil will not succeed when people of good faith & heart unite. In the time it took to recite an oath, America reemerged once again as the Free World's leader & as the despot's worst nightmare. And just like that, common sense is now running our country: protecting our borders; removing illegal criminal aliens; destroying the drug & trafficking cartels; hiring the best people regardless of race or gender; protecting our industries; stopping wasteful spending; getting a full day of work from each of the taxpayer's employees (they do work for us, you know); strengthening & readying our military to ensure peace in the world & stopping support for socially-psychologically perverse ideologies & theories (such as climate, gender, race) that are destroying our children & society. It's a wonder that the Americans voted overwhelmingly for the government to run by common sense, something 20th century critic & essayist H.L. Mencken would have thought unbelievable: "*I am strongly in favor of common sense, common honesty & common decency. This makes me forever ineligible for public office.*" Common Sense is indeed the way to run the government. From Thomas Jefferson, "*Common sense is the foundation of all authorities, of the laws themselves & of their construction... I can never fear that things will go far wrong where common sense has fair play.*" Of course, previous administrations filled the government with people from the right schools with no practical experience or common sense. From 19th century American attorney Robert green Ingersoll, "*It is a thousand times better to have common sense without education than to have education without common sense.*" However, our new Administration is filling positions with the most capable people who have had *boots on the ground* experience – in the military, in law enforcement, in business, in security. American humorist Josh Billings would approve: "*Common sense is the knack of seeing things as they are & doing things as they ought to be done.*" Because of our new leaders' common sense, they will get things done. From Ralph Waldo Emerson: "*Common sense is genius dressed in its working clothes.*" The world is already amazed at how fast & how sensibly our country is moving forward & how much is being accomplished. As Emerson also wrote, "*Nothing astonishes men so much as common sense & plain dealing.*" Who would have thought that a principle so simply – common sense & plain dealing – would end up being so consequential!

INDUSTRY NEWS: Bean-free coffee *Atomo* raised \$7.8M. Troy Aikman's *EIGHT Brewing* raised \$26M from undisclosed investors. *Molson Coors* took an 8.5% stake in mixer brand *Fever-Tree*. *Kirra Iced Tea* raised \$400K from undisclosed investors. In Norway, *Avisomo* raised €5M to develop its fully automated vertical farming solution. Amsterdam's *Agurotech*, data for agriculture, raised €2.25M from *Navus Ventures*, *ROM InWest* & *Rabo Ventures*. *Liberation Labs* raised \$50.5M to build its first fermentation facility in Indiana; *NEOM Investment Fund*, *Galloway Limited*, *Meach Cove*

Capital, Agronomics, New Agrarian Capital & Siddhi Capital were among the investors. AI ag application provider *Bonsai Robotics* raised \$15M led by *Bison Ventures* with *Cibus Capital, Acre Venture Partners, Congruent Ventures, Fall Line Capital, E14 Fund, SNR & Serra Ventures*. In Switzerland, *Voltiris*, solar energy solutions for greenhouses, raised \$5.33M co-led by *EquityPitcher Ventures & 3M Ventures*. Also in Switzerland, *Oxyle* raised \$16M led by *360 Capital* with participation from *Axeleo Capital, Founderful & SOSV* for its process to remove forever chemicals from water. *Ferrero Group* will acquire protein bar & snack brand *Power Crunch* from *Bio-Nutritional Research Group*. *GrubMarket* acquired *Sally Produce*, fresh fruits, vegetables, Asian greens, pomelos & melons sourced in California. *JBS* will enter the egg protein segment by acquiring 50% of Brazil-based *Mantiqueira Alimentos Brazil*, the largest egg producer in South America, for \$321M. *Pete & Gerry's Organics* purchased *Farmers Hen House* in Iowa. *Odd Burger*, a franchised vegan fast-food restaurant, raised \$1M on the *TSX Venture Exchange*. *Diageo* sold its Venezuelan rum brand, *Cacique*, to a Spanish spirits seller, *Bardinet*. In England, *Bramble Foods Group* acquired *Whitakers Chocolates*. *Vertical Cold Storage* acquired a frozen distribution center near the Port of Savannah. In France, *Groupe ISAGRI*, digital agricultural solutions, acquired *Sencrap*, agricultural weather & irrigation solutions. *Peoples Company* acquired farmland realtor & professional farm management firm *Land Pro*. *Preferabli*, an AI-driven product discovery & recommendation platform for wine, spirits & food, acquired the consumer loyalty platform *Libation Labs*. *AlphaPet Ventures* acquired *JR Pet Products*, a UK natural chews & treats company for dogs. Insect ag company *Ynsect* may be looking for a bailout buyer. *Chubby's* will close operations due to lawsuits & other issues. Per *Bloomberg*, *Diageo* plans to sell its stakes in *Guinness & Moet Hennessey*. *General Mills* completed the sale of its Canadian yogurt business to *Sodiaal*. Rumors indicate *Seven & i Holdings* is seeking a major investment from Thai conglomerate *Charoen Pokphand Group*.

Metro reported a positive 1st QTR with both sales & earnings up from the previous year. Produce transport company *CH Robinson* reported a strong 4th QTR with profits up 10.4% & income up 71.1%.

Sprouts Farmers Market is planning seven new Florida stores & will hire 650 associates. *Erewhon* plans three new SoCal stores: Manhattan Beach, West Hollywood & Glendale. *Vallarta* will open a new location in Modesto, CA. *Buc-ee's* will open its first site in Wisconsin. Philadelphia *Whole Foods* workers have unionized, the first in the supermarket chain. *Costco* raised store worker pay to \$30! *Walmart* will expand same-day pharmacy delivery to 49 states. *Dollar General* will add 100 private label products under their *Clover Valley* label. *Giant Food* will reduce prices on a number of products. *Stater Bros.* will roll out the *Afresh* protection platform in all its produce departments. *BJ's* will build another distribution center in Ohio to support its footprint. *Walgreens* plans to increase the number of stores serviced by its micro-fulfillment centers to about 6K in the coming year. *Walmart Canada* will spend \$6.5B on new stores & supply chain enhancements. *Amazon Fresh* is struggling to gain traction in the UK; at the same time, UK retail sales have been steadily dropping. *Amazon* will begin drone delivery in the UK. Britain's biggest supermarket group, *Tesco*, will cut 400 store & office jobs. Over the next five years, *Carrefour & Lagardère* plan to open 150 stores across France that will combine supermarkets with collection points for online orders, targeting commuters seeking quick shopping options during their daily travels. Oddly, a supermarket in Cuba is accepting USA dollars. *Instacart* will run its first Super Bowl ad. *Grubhub* will partner with *Avride* for college campus autonomous robot delivery. *General Mills* workers will return to the office. *Il Pastaio* is building a 71K sq. ft. pasta manufacturing facility in Pennsylvania to expand gnocchi production; however, no gnocchi will ever be as good as my mom's! *Foster Farms* will close its fresh turkey processing operations in Turlock, CA; 519 employees will have the option to move to other processing sites. A fire at poultry processor the *Amick Farms* Batesburg, SC, facility will halt production for several weeks. *Cargill* will close its Springdale, AR, turkey processing plant, production will move to Missouri & Virginia. *American Foods Group* is completing a \$800M beef plant in Missouri. *Nestlé* will invest \$1B in Mexico to expand its production operations capabilities. After more than a decade, *Costco* will replace *Pepsi* in its food courts with *Coca-Cola*. *Kellanova & Golden West Food* will launch a line of 10 ice cream flavors inspired by *Eggo & Rice Krispies Treats*. *Nestlé* will discontinue vegan *Kit Kats* due to a lack of demand. *Coca-Cola* is adding a new orange cream flavor available in original & zero sugar options. *Mondelez* launched *belVita* energy snack bites. *Ferrero* will launch its *Kinderini* shortbread cookies in the USA, which feature unique faces on each cookie. *Ellicottville Greens* rebranded into *Nimble Farms* as it expands its presence with *Tops Friendly Markets*. *Lettuce Grow* will expand its DTC live seedlings to be sold in-store at *Costco*. *Salad and Go*, one of our favorites, will offer three new recipes under its "Greens for Everyone" program at all locations beginning February 12. *Starbucks* will simplify its menu by removing 30% of its food & beverage offerings. In Israel, *Vanilla Vida* reported the world's first large-scale indoor vanilla harvest. A story reported in *Food Dive* from *Raw Story* states farms already seeing massive drop off in workers as mass deportations begin, a complete & utter fabrication (that means a lie) as deportation efforts have focused on criminals & gang members in urban areas; however, people may be self-deporting due to their illegal entrance into our country. *Costco* shareholders voted to retain the company's discriminatory & biased hiring & personnel policies; 19 state attorneys general are threatening legal action. Other industry companies embracing these discriminatory activities include *Walgreens, Kroger & Ben & Jerry's*; the ice cream maker is facing boycotts for not supporting equality. *Pilgrim's Pride* reached an agreement to pay \$41.5M to investors for misrepresenting industry competition to inflate its stock price. *QFC* promoted Brent Stewart to president. *Raley's* named Paul Gianetto as president. *Whole Foods Market* CEO Jason Buechel will assume the added role of vice president of *Amazon* worldwide grocery stores. Kevin Pieh will lead *Ellsworth Creamery*.

From *Caliber, Amazon & Costco* lead the list of most trusted *Fortune 30* companies, ahead of *UPS, FedEx & Lowe's*. *Trader Joe's, Publix & Sam's Club* were at the top of the *Annual American Customer Satisfaction Index*. A Harvard study of almost 100K American adults found that regardless of genetic predisposition & overall diet, consuming at least 7 grams of olive oil per day had a 28% lower risk of dementia-related death compared to those who never or rarely consumed olive oil. The holiday season saw an overall drop in Mexican avocado imports with shipments to the USA down 27% from the prior year. The California avocado crop is estimated at 375M pounds, the largest since 2020. Despite a drop in durum, the overall Canadian wheat forecast is higher. From *Wells Fargo*, consumer prices are just 0.1% higher YOY on Super Bowl food supplies. Egg prices remain elevated solely due to the Biden administration paying ranchers to destroy more than 100M layers.

MARKET NEWS: Markets were mixed this week. The Nasdaq plunged as AI chipmakers dealt with news of China's *Deepseek*, including its reportedly small development cost, use of proprietary *OpenAI* technology & access to Nvidia chips through Singapore. Tech stocks recovered a bit toward the end of the week. The Fed kept interest rates flat in its first meeting of the year. December PCE Price Index was 2.6% as forecasted but 4th QTR GDP was below projections. The Core PCE Price Index was reported as expected at 2.8%.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – Tom Malongo

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