



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

IT'S A TIMELESS STORY PLOT. A wise sage veteran gets attached to a young, hell-for-fire & reckless newbie. The young guy is bursting through the front door, guns blazing. The veteran goes through the back door, strategically taking out the bad guys to better the odds. It's the classic Riggs & Murtaugh relationship. John Wayne played the wise sage role many times: as Sheriff John T Chance to Ricky Nelson's Colorado, as Cole Thornton to James Caan's Mississippi or Sgt. John Stryker to John Agar's Pfc. Peter Conway. But at some point in the story, the situation has become so bad & the newbie has caused so much trouble, the veteran looks at him & says, "I'm too old for this s***!"

TOO OLD FOR THIS S*!** When WWII ended, the millions of American boys who returned remembered exactly what they were fighting for – home & family. So after the welcome home parties & heartfelt greetings, the boys did exactly what boys of this age are apt to do – find the girls! Dances led to dating which led to pitching woo which led to marriage. Millions of American men settled down with the *Girl of their Dreams*, the girl they dreamed about while standing their ground in the frozen snow of Europe, searching the night for enemy subs in the midst of a vast ocean or huddled down waiting for a Banzai attack in a jungle rain. Homes popped up across America & suburbia was born: supermarkets, malls, two car garages for a second car, interstate highways, pizza delivery & TV dinners. Yes, America was busy! The millions of boys who dreamed, & the *Girls of their Dreams* who waited for them, also got busy – *in the Biblical sense!* The Baby Boom began in 1946 & lasted until 1964 with an average of 4.2M babies born each year & a birth rate double what it is today! I am not unique, the year I was born was the third highest of the era, but by just a few thousand babies. This week, by law & government overreach, I am officially old. As Baby Boomers, we have definitely seen a lot, heard a lot & lived through a lot. And as a Baby Boomer, I am now officially *too old for this s***!* I am too old for the histrionics, for the whining, for the lies, for the blasphemy, for the insanity, for the evil, for the superlatives. I saw the *Big O* on the court, *Hondo* in the clutch, the *Golden Bear* swinging a club, Jim Brown crushing linebackers, the *Ali Rope-a-Dope*, *King Richard* winning 10 straight races, *Charlie Hustle* running the bases & *Yaz's* humble respect for the game. I saw Mays & Aaron swing the bat & Gibson & Seaver on the mound. I am too old to believe anyone is the new GOAT or the best ever. Likewise, I am too old for the worst ever, having survived many worst ever droughts, heat spells, rainfalls & snowstorms. I am too old for any climate panic; I lived through the 1970s prediction of a coming Ice Age & a frozen death. And I am too old to have lived the last three years in what is the worst Presidency ever, already having lived through the second worst Presidency in the late 1970s with a hapless person in charge. I am too old NOT to believe America has enemies. I saw what Marxists did in Cuba, China, USSR, Cambodia & numerous South Asia, African & South American countries; I lost a good friend on a quiet, ordinary Tuesday morning in September when hate & evil brought down the Towers. So, I am too old for the true evil that is right now on our campuses & the true evil that is coming across our border. As a child I talked with Holocaust survivors. I know people whose families escaped Cuba & from behind the Iron Curtain. I know mothers whose sons & daughters were murdered by illegal immigrants. And I followed the stories – Son of Sam, Bundy, Gacy, the Unabomber, Jonestown, Oklahoma City, Columbine & more. I am too old for a media that waits far too long to seek any truth. I have seen the media lie to protect the lies of those they favor, the fall from integrity of once trusted journalists & commentators & their unfounded insanity & histrionics. I am too old to take anything I read or hear at face value & wise enough, due to sheer experience, to do the research. I am too old to see elected officials, who have no concept of the Constitution, blaspheme & bastardize it to serve their own lack of knowledge & then disrespect that this Republic consists of three branches of government with separate duties & equal power. I am too old for all the whining on social media over any small problem or indiscretion. I have known too many people who have faced much greater circumstances & disasters with a grace, dignity, kindness & caring that I could only hope to emulate. I am too old to believe any person, or anything in this era is "cool" or whatever the operative word is today. I've seen teenagers drive '57 Chevies, '59 Mercs & '67 GTOs long before these cars were auction block collector's items. I saw Waylon Jennings on stage, Ray Charles on TV & Steve McQueen in the movies. I am too old to care about the opinions of people who don't matter to me, haven't lived MY LIFE, or if I have unfortunately upset their many & easily offended sensitivities. But while I am too old for all of this s***, I have not completely turned into a get-off-my-lawn curmudgeon (though Walt Kowalski was pretty damn cool) & I don't look pessimistically to the future. It is the time in my life to harvest the growth of my experiences & enjoy the bounty of the future. To learn from my many & massive faults, failures & errors & double-down on my very scant & few purposeful qualities that keep the most special person in the world faithfully by my side. To save my warmth, kindness & love for who, where & when it is deserved! To reap the benefit of years of hard work & planning & enjoy what life has to offer – not living each day like it is the *last*, but living each day like it is the *best!* To Keep the Faith; that He will see the evil & rise up the goodness in the heart & soul of all Americans to do what is right to end this chaotic spiral into a fascist, Marxist, abyss. And to have the Faith - the Faith of Angels & Puppies - to trust that upon the final decision, my Maker will weigh my life as only He can. So, from now until then, as I heard as a youngster proclaimed many a time at weddings, mitzvahs & births, *L'Chaim; to life!* To life & all it offers. To the heartaches, nightmares & terrors we have survived & the joy, elation, thrills & opportunities yet to come. From Mother Teresa, "*Life is an opportunity, benefit from it. Life is beauty, admire it. Life is a dream, realize it. Life is a challenge, meet it. Life is a duty, complete it. Life is a game, play it. Life is a promise, fulfill it. Life is sorrow, overcome it. Life is a song, sing it. Life is a struggle, accept it. Life is a tragedy, confront it. Life is an adventure, dare it. Life is luck, make it. Life is too precious, do not destroy it. Life is life, fight for it.*" Now to savor a drink from the cup we have been given, a cup we have earned & then to reach for another! Because, as Voltaire pointed out, "*God gave us the gift of life; it is up to us to give ourselves the gift of living well.*" And living well means remembering, as Murtaugh would tell us, that sometimes, we are just too old to worry or care any longer about the s***!

INDUSTRY NEWS: *Inovata Foods*, private label frozen entrées, raised an undisclosed amount from *Swander Pace Capital*. UK-based prebiotic soda brand *Xoxo* raised £2.5M with *JamJar Investments*, *Döhler Ventures*, *GGF Ventures*, *Gfund* & *Revery Group* involved. California's *Local*

Kitchens, multi-restaurant menu offerings, raised \$40M in a Series B round led by *General Catalyst* with *Pear VC*, *Human Capital* & others. *Rohlik Group*, a Czech retail tech & online grocery company, raised \$170M led by *EBRD*, alongside *Sofina*, *Index Ventures*, *Quadrille* & *TCF Capital*. Australian cooking app *ReciMe* raised \$1.5M for USA expansion led by *Even Capital* with high-profile angel investors involved. In Spain, plant-based food producer *Vanetta Food* raised €400K from angel investors. In Germany, reusable restaurant packaging startup *Vytal* raised €6.2M led by *Emerald Technology* with participation from *Ventis* & existing investors *Kiko Ventures*, *Grazia Equity* & *Rubio*. In Costa Rica, insect animal feed producer *ProNuvo* raised \$2M from the *International Finance Corporation*. In Austria, *Vertus Energy*, improved waste biomethane production, closed on €8.75M led by *Energy Capital Ventures* with *Blackbird*, the *Amadeus APEX Technology Fund* & *Aussie Angels*. Brazilian ag biologicals company *Genica* raised \$12M with *Mitsubishi's Agrex* group leading the round. In Estonia, *eAgronom*, sustainable farming practices, raised €10 M led by *Swedbank AB* & joined by *Icos Capital*, *Soulmates Ventures* & *SmartCap*. *Nutrisco* acquired a majority share of *LiveMore Superfoods*, fruit & vegetable smoothies, for an undisclosed amount. *Cal-Maine* acquired egg producer *ISE America* for \$110M, adding nearly 5M egg-laying hens. *Home Market Foods* acquired a former *Carla's Pasta* production plant in Connecticut & will invest \$70M to convert it into a state-of-the-art meat processing facility. German dairy giant *Ehrmann* acquired UK-based *Trewhithen Dairy*. In France, *Carrefour* finalized the acquisition of the *Cora* & *Match* banners from the *Louis Delhaize* group. *Strategic Sourcing International* acquired *Your*Way Fresh*, another produce supply sourcing, processing & logistics company. In Britain, *Tortilla Mexican Grill* purchased European fast-casual Mexican restaurant *Fresh Burritos* for €3.95M. *Tate & Lyle* completed the sale of its remaining 49.7% interest in *Primient*, plant-based food & industrial ingredients, to *KPS Capital Partners*. *Walmart* sold its virtual care service provider *MeMD* to healthcare technology company *Fabric* as *Walmart* exits from primary health care offerings. *Kroger* lost its bid to dismiss Colorado's lawsuit to prevent its merger with *Albertsons*. *Lineage*, temperature-controlled warehouse REIT, filed forms for IPO that could raise \$30B. *Above Food & Bite Acquisition Corp.* finalized their SPAC merger & joined Nasdaq as *Above Food Ingredients*, trading with the ticker symbol ABVE. *Chewy* repurchased \$500M of stock. *Rite Aid* will exit from bankruptcy with an approved plan & \$2.55B in financing from its lenders. The USDA provided 17 grants totaling \$5.2M in 17 new grants that support urban agriculture & innovation. The Pennsylvania Department of Agriculture opened \$500K in funding for small meat & poultry processors in the state. From *AgFunder*, agrifoodtech startup funding has fallen 12.5% YOY.

Constellation Brands beat 1st QTR profit estimates with a 6X YOY increase in EPS on a slight revenue increase, which did miss targets; the stock price rose on an improved forecast. In a turnaround profit year, UK supermarket chain *Asda's* online grocery segment set a record £3.2B in on-line grocery sales for 2023.

GenZ & millennials are the fastest growing *Sam's Club* member segment. *Balls Food Stores*, a 25-store Midwest chain, will transfer ownership of the company to its workers through an ESOP. *Target* will provide an AI-companion to employees' devices to help answer questions & offer coaching. *Albertsons* & health care technology company *Soda Health* will expand its service to make it easier for *Medicare Advantage* to be accepted by the food retailer's online portal for ordering & delivery. *Kellanova* will look to new *Pringles* flavors to drive company performance. *Oreo* released a *Mint Chip* offering. *Frank's RedHot* added new sauce & dipping lines. *Elmhurst* will add cashew creamers formulated from cashews, gluten-free oats & pectin. *Califia Farms* will offer an alt-dairy milk for kids, *Complete Kids*, launching at *Target*. *Strive* will partner with *TurtleTree* to expand beyond its fermentation-derived protein product *FreeMilk* with an immunity support beverage & a ready-to-mix protein powder. *Michael Foods* recalled more than 4,600 lbs. of *Fair Meadow* liquid egg products due to misbranding & undeclared allergens. *Tyson Foods* will scale back its antibiotic-free beef pledge, as it recently did for chicken. *McCain Foods* will partner on four additional research & innovation hub farms in Alberta, Wisconsin, Maine & Idaho. *Little Leaf Farms* will add a 10-acre greenhouse in a Pennsylvania expansion. *John Deere* will move plants in Iowa & Illinois to Mexico, impacting workers in small communities. *Smithfield Foods* will close its Altoona, IA ham boning facility, moving production to other locations & impacting 314 employees. *Nestlé* will invest in a specialty protein-foods factory in Germany for its therapeutic offerings. In Dodge City, KS, the roof of a *Cargill* facility partially collapsed due to rain. Cell-based alt-meat maker *Upside Foods* will enter another round of layoffs. *Google* parent *Alphabet* will end its AI AG-intelligence startup *Mineral* after just one year but license some of its tech to partners such as *Driscoll's*. *ADM* & its *Golden Peanut* processing subsidiary will collaborate with the *J.M. Smucker* to support regenerative agriculture practices across 20K peanut acres in the southeastern United States. The spotted lantern fly has been spotted in California with large egg-masses, which could mean potential devastation to California's vineyards; California has no approved pesticide for dealing with this huge plant-sucking bug. The SCOTUS ruling that negates the government overreach of the *Chevron Doctrine* could open opportunities for efficiencies & savings in food & meat processing.

From *Clever Real Estate*, 27% of Americans skip meals due to the rising cost of food & 39% skip meals to make house payments. A consumer study from *Purdue University* shows consumers still see food prices as unpalatable. From *FMI*, only 38% of food retailers expect same-store sales growth in 2024 with just 13% predicting an increase in net profits. Per *FMI*, the bakery category grew fastest, at 6.7%, in the \$271B supermarket perimeter category. From *Rabobank*, poultry consumption was higher in the last quarter as chicken prices rose less than pork & beef. USA hog inventories grew 1% YOY. Fourth of July holiday demand & weather are tightening the supply & raising the prices of strawberries, blueberries, limes & tomatoes.

MARKET NEWS: Markets were higher in a shortened week with Nasdaq & S&P finishing at records. Both the ISM manufacturing & service sector indices showed contraction, a positive sign for a rate cut. Mortgage rates jumped for the first time since May. Construction spending & factory orders fell. Jobless claims were higher; new jobs in June were lower than May; new jobs were sadly driven once again by government-created jobs. The unemployment rate rose to 4.1% as there was a 25% downward revision to prior months' job growth.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malenka*

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