



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**MY MOM AND DAD** were married 75 years ago this week. They were wed in their hometown, Alverda, 20 miles due east of Indiana, PA. The church, Sacred Heart, was still being built, so the service was held in the basement. It rained & the basement flooded. The priest, Father Richard, was my dad's drinking buddy & known for his short, hungover, Sunday morning services. Despite drinking with the groomsmen the night before, he delivered a long, beautiful ceremony. The reception took place at the Miners' Union Hall, surrounded by family, friends & neighbors – miners, farmers, housewives, teachers, shop clerks – the people of this small Pennsylvania hamlet. The Real People!

**REAL PEOPLE:** This area was mostly coal mines, farms, cows, goats & chickens. Here & there were the scattered 'towns,' just a few houses or a storefront: Mentcle, Penn Run, Heilwood. A few larger towns, like Spangler, Barnesboro & Clymer, had the Miners' Hospital & the *Five & Dime* stores. Mom & Dad's little village was definitely one-horse – *one* grocery store, *one* gas station & *one* post office – all in *one* building! Morris Gillo ran the enterprise, always behind the butcher's case with the fresh cuts from his slaughterhouse, his homemade cheeses & sausages hanging above. Farmers brought in their produce to fill the vegetable & fruit bins. Across the gravel parking lot was the bar, owned by Morris' son-in-law, John Domingo. There my dad would drink with life-long friends; they talked about the farms, the mines & the war. Down the road was Tony Presto's junkyard, where I would go with my Uncle Jim to find some car part, appliance part or the piece of wood needed to fix something. Down toward Ebensburg lived Tom Benamati, a distant cousin; he owned a smelly, stinky turkey farm! It seemed like most of the people in the area were relatives - cuginis, cumparis, paisans, padrinos or someone's brother's mother-in-law's father who deserved respect. Real People. The people that the soon-to-be President in 2008 nastily & derogatorily described as "*clinging to their guns & God.*" I was reminded of these real people when Indiana, PA, was visited this week by the '*Presidential Candidate of the Real People.*' You know the Real People. It's the neighbor who helps you jump your car battery or has the tool you need to fix your faucet. The retired grandmother down the street who is always available to watch your kids in an emergency. The dad, who after a long day at the office, coaches his daughter's softball team after work & then grabs a sandwich as he drives to lead a bible study for at-risk teenagers at the church. The country is divided in many ways. A significant division, perhaps the most critical, is between the Real People & the Fake People. You know the Fake People. The media-created sensations: actors, singers, athletes, politicians & a variety of other so-called elites, who lack any real substance & appear to have spent the last three decades attending perverted music producer parties. Yet, the media tells us we should listen to who these people endorse for the most consequential election of our lifetime, maybe the most consequential ever! Whose endorsement should I trust on the economy? A pampered singer who hypocritically flies a climate killing private jet to concerts that earn her millions (singing about her bad choices) or the mom of three who is trying to find enough money to buy gas to get to the grocery store & buy her family's groceries? Whose endorsement should I trust when it comes to handling foreign affairs? A crazed politician (whom Boston College's Economic Department should disavow) & her Squad spouting antisemitism or the parents of an American captured & murdered by Hamas terrorists? Whose endorsement should I trust when it comes to handling the military? A bunch of war mongering neocons & 51 lying intelligence officers or the parents of the 13 soldiers killed at Abbey Gate by this President & Vice President's ineptitude? Whose endorsement should I accept on the border? An elitest singer & his actress wife who live in a gated mansion with security or the mothers whose daughters have been raped & murdered by illegal immigrants; the parents who lost a child to the fentanyl peddling cartels; the wife who lost a husband to a drunk-driving illegal immigrant? Whose thoughts should I consider when it comes to crime on the streets? A superstar athlete making millions in Chinese endorsement money or the elderly lady who can no longer walk to the drug store to get her medications; the small business owner whose shop was overrun by organized theft gangs; the Aurora & Springfield residents whose towns, apartments & houses have been taken over by illegal immigrant gangs; the women who have been attacked in the streets or whose cars have been hijacked? When it comes to education, whose endorsement should I care about? The screaming teacher's union leader & tenured ivory tower educators or the parents whose children are forced to read appalling pseudo-biology or participate in perverted & hateful school sponsored events? Who has the right view & endorsement concerning energy policy? A variety of glory-hunting ex-politicians & brainwashed know-it-all teenagers or the oil worker, coal miner, pipeline mechanic or the family whose gas & electric bills have jumped 33% since January 20, 2021? Whose endorsement on securing free speech should I take to heart? The lying media & admitted social media censoring tech moguls or the tech mogul who spent his money to create a free speech media platform? Most importantly, which union endorsement should I trust? The IRS Union - you know, the people who have every legal right to steal every bit of your money completely under the protection of the federal bureaucracy - or the firefighters, policemen, steamfitters & two-thirds of the working men & women of the Teamsters - you know, the Real People. As I saw the '*Presidential Candidate of the Real People*' speak in Indiana, PA, I saw Real People. My People. The people whose hard work makes this Nation run every day. The people who want to raise their children to be good people - better people than they are & better off than they are! These are the people who will save the American Dream. Not the politicians, celebrities, athletes, coiffed mainstream media bobble heads, biased tech moguls & tenured academics who look down on the Real People – those deplorable, *Walmart*-smelling gun & God clingers. You know – the people who will keep working hard, keep building their families, keep building for the future – a future of American Greatness!

**INDUSTRY NEWS:** *Athletic Brewing* raised \$68M from undisclosed investors. *Opopop*, a gourmet popcorn brand, raised \$1.9M from undisclosed investors. *El Guapo*, a New Orleans-based producer of artisan syrups & bitters for cocktails, raised \$1.7M from *The Angel Roundtable*. Cold brew nitro tea producer *East Forged* raised \$1.5M from *TTC AgriS*. Lactoferrin biotechnology company *Helaina* raised \$45M led by *Avidity Partners*. In Belgium, *Bio-Sourcing*, whose *BioMilk* platform uses complex proteins in goat milk for biotherapeutics, received a €2.5M grant & €10M in equity from the *European Innovation Council Accelerator*. *L'Oréal's* venture capital fund *Bold* invested an undisclosed amount in makeup brand, *Ami Colé*. *Meatable*, cell-based

meat, secured €7.6M from the *Netherlands Enterprise Agency* to scale production. *Ecovative (MyForest Foods, Forager, etc.)* raised \$28M from strategic investors & existing shareholders to expand its mycelium-based *MyBacon* product & introduce new sustainable leather materials. In Colombia, *AgriCapital* raised an undisclosed debt amount from *Grupo AlphaMundi* to extend additional loans to local farmers. In Brazil, *Cayena*, a transaction platform for wholesale food suppliers & buyers, raised \$55M led by *Claire's Bicycle Capital*. *Mondelēz International* will buy a significant majority stake in *Evirth*, a leading manufacturer of cakes & pastries in China. In Canada, vertical farm *Vision Greens* raised \$18M in debt & equity from *The Dorchester Corporation & Farm Credit Canada*. *Platinum Equity* will acquire a majority stake in *Polli*, producer of pasta condiments & vegetable preserves. Private label snack maker *CK Snacks* acquired another private label snack producer, *Axium Foods*. John Paul DeJoria will buy *Waterloo Gin*. *Diageo* acquired non-alc spirits brand *Ritual Zero Proof*. *Campari Group* purchased a 14.6% minority stake in *Capevin, CVH Spirits*, for \$92.2M in cash. *Oriental Brewery*, part of *AB InBev*, purchased *Jeju Soju* from *Shinsegae L&B*. In Britain, plant-based food brand *Deliciously Ella* was bought by Swiss food group *Hero*. *EarthFresh Farms* acquired *Mountain King Potatoes*. Cattle management platform *701x* acquired beef registry platform *DigitalBeef*. Canadian grain handler *Viterra* will acquire five storage & handling sites as well as a mobile ship loader in South Australia & western Victoria from *Cargill*. *Attain*, real-time purchase measurement data platform, acquired *Merryfield*, an app that rewards shoppers for purchasing better-for-you products. *Presto Automation*, drive-thru voice AI, is seeking a sale. *Pure Prairie Poultry* filed for Chapter 11 bankruptcy. In Miami, online foodservice platform *Rgand* launched a \$100M accelerator for global suppliers. *Danone* offered to buy *Lifeway Foods* for \$283M. In foodservice, *Sodexo* is currently weighing the acquisition of *Aramark*.

In perhaps a warning for the economy, retail stalwart *Costco* missed on 4<sup>th</sup> QTR revenue though YOY income was higher. *Pilgrim's Europe* reported for the first time as a single entity with a stellar 2023 fiscal report, winning on revenue & profit. Mycoprotein faux-meat producer *Marlow Foods (Quorn & Cauldron)* reported lower fiscal year revenue with €60M in losses.

*Amazon Fresh* will surpass 50 stores nationwide. *New Seasons Market* has partnered with *Amazon* for delivery. *Foxtrot* reopened its second Chicago store. *Weis Markets* acquired two *Sunnyway Foods Stores* in Franklin County, PA. *Rouses* opened its 4<sup>th</sup> store in Mississippi. *Aldi* opened a Kalamazoo store. *Giant Eagle* will lower prices on 200 produce items. *Balls Food Stores'* 2600 employees are now owners (through an ESOP plan) of the Kansas City based grocery chain & its 25 stores under the *Hen House Markets, SunFresh Markets, Payless Discount Foods, Price Chopper & Tippins Pies* banners. *Walmart Canada* will prioritize investment in skills training & education for front-line associates. German grocery retailer *Penny* promises price stability by printing the store price right on the packaging. *Stop & Shop* launched a new private label coffee brand, *Taste of Inspirations*. *Amy's Kitchen* will expand its frozen breakfast options with new burrito, entree & wrap offerings. *Nature's Path* launched a regenerative organic oatmeal. *Kraft Heinz* will introduce *A1 Steak Sauce* flavored butter. *Fresh Del Monte* debuted overnight oats with fruit. *Nestlé's Nespresso* launched an RTD coffee in the USA. *Jones Soda* is launching a prebiotic soda. *Once Again Nut Butter* debuted gluten-free graham crackers in three flavors. *Chiquita* has developed a disease resistant Cavendish banana. In the UK, faux-meat *Juicy Marbles* will launch at 553 *Sainsbury's* locations. *The Andrews Sisters* asked in 1945 & almost 80 years later *Bacardi & Coca-Cola* will offer a canned rum & coke. *Coca-Cola* will discontinue its *Spiced* flavor after just 7 months. *Nestlé* claims it has invented & patented the first 70% dark chocolate made entirely from the cocoa fruit, only the beans & pulp, therefore not adding any refined sugar. *Albertsons* debuted a new private label wine line, *Bee Lightly*. *Anheuser-Busch* launched a new *Michelob Ultra Non-Alc Beer*. *Glenlivet* unveiled a \$55,000 scotch to celebrate its 200<sup>th</sup> anniversary; the scotch has been aged five decades in a seasoned sherry cask. *Kraft Heinz* will introduce a hands-free snackbot for gamer snacking while playing! *Hershey* will realign jobs to improve efficiency. *Campbell Soup* launched a new *Goldfish* production line in Utah. *Plenty* opened an indoor strawberry farm in Virginia. Kefir brands *Pure Culture Organics & Lucy's Organics*, founded by Edward Smolyansky of *Lifeway Foods*, bought the former *Saputo* dairy plant in Wisconsin. *Bimbo Canada* plans to shut its Quebec City baking facility by year end, impacting 141 workers. *Flora Food Group BV* acquired a Hugoton, KS, manufacturing facility, which closed earlier this year, to manufacture its plant-based creams & cream cheese products. *Jungbunzlauer* will invest \$200M in a xanthan gum facility in Port Colborne, Ont. In England, supermarket giant *Tesco* will open a new facility to turn 1,000 tons of surplus food into animal feed. *Brilliant Harvest* emerged from stealth, signing its first customer, offering an AI-powered helpdesk for ag equipment dealers. In Israel, food tech company *DairyX Foods* has developed a method to produce casein products that can self-assemble into micelles, the building blocks of dairy products like yogurt & cheese. Plant-based meat manufacturer *Rebelloys Foods* will partner with *RMS Foods* to launch a new faux-meat production platform. *Novus International & Ginkgo Bioworks* will partner to develop advanced feed additives. Faux-meat brand *Believer Meats* will partner with food equipment provider *GEA* to scale faux-meat production. *Deliveroo* will exit its Singapore cloud kitchen business. *Coca-Cola* is under fire on social media for its discriminatory practices on its customized can platform which allows "Harris 2024" & Allah, but not "Trump 2024" & Jesus, as the latter two were blocked as offensive; *Coca-Cola* amended the site after consumer complaints. California banned hemp-derived, THC-infused food & drinks. A group of poultry growers sued *Cooks Venture*, now in Chapter 7, on charges of deceiving growers into contracts & not disclosing *Cooks'* financial condition. *Poppi* faces a class action suit concerning its sugar content & health claims. *Ahold Delhaize USA* promoted *Stop & Shop* Chief Commercial Officer Roger Wheeler to *Stop & Shop's* top spot. Robert Sumas will depart as *Village Super Market* CEO to be replaced by John J. Sumas.

From *Acosta*, prepared foods sales at c-stores are increasing & gaining share driven by busy, younger & single consumers. From *Ibotta*, 55% of consumers have a poor view of the economy, 70% are trying to save money on groceries & a whopping 80% said they will not purchase or will find an alternative for a product priced higher than expected. From the *Dairy Farmers of Wisconsin*, 92% of shoppers seek out the specialty cheese section & 77% of shoppers will go out of their way to find the right cheese. From small business insurer *NEXT*, restaurant revenue is at a record high, but wage growth has outpaced revenue. From *Black Box Intelligence*, August restaurant traffic continues to contract. Japan is contending with rice shortages due to bad weather, an increase in tourists & Japan's restrictive rice policies; store are limiting purchases to one bag per person. Cocoa & retail chocolate prices are expected to soar into 2025. Per the USDA, sugar supplies are at a 20-year high. California forecasts a bumper avocado crop as the last decade's plantings are hitting the prime producing stage.

**MARKET NEWS:** Markets hit record highs. New job claims were lower than expected & the second revision of GDP was constant. The USA debt is 100% of GDP, the highest level since WWII. The PCE price index for August was 2.2% & Core PCE was 2.7%. Personal income growth was below expectations. September consumer confidence dipped from August. America has lost manufacturing jobs every month for 16 consecutive months. The House of Representatives passed the Continuing Resolution to fund the government at these unsustainable levels without the much-needed SAVE Act which will stop illegal immigrants & non-citizens from voting in the upcoming election & prevent the opportunity for another fraudulent election.

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

THE LITCHFIELD FUND – Tom Malenka

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