



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



MY NONOS ARRIVED in Western Pennsylvania in the first decades of the 20th century. What was a sleepy hamlet in the 1960s & 1970s was at that time a bustling & booming area of small towns growing with legal immigrants. Coal was bursting from the seams. Crops & cows covered the earth. These were *men of the land*. They toiled below the ground to bring forth the Earth's riches & they planted & sowed above the ground to feed their families. Most of the miners leased a house & a plot of land - planting vegetables & raising chickens or a cow or goat for milk. These men came to America, fought for America & became citizens because they knew America was the *Land of Plenty*.

LAND OF PLENTY: America was built & forged on oil, coal, crops & cows. Oil, discovered in Titusville, PA., lit the lamps of frontier cabins & homes of the eastern cities. Coal fired the Bessemer converters & open-hearth furnaces that forged the steel used to raise cities to the sky, to connect the Nation by rail & build the ships that transported America's plenty to the world. America's factories & homes, her trains & her ships first ran on coal, then oil & gas. America's farms & ranches fed the world. The American West & Alaska opened untold riches for the Nation. And as America's blessings flowed upon its citizens, America rose to greatness. Sadly, we have been poor stewards of the riches with which America has been blessed. Instead of using the natural resources of the land & its riches that will last for many, many centuries, we adhere to the false prophets of pseudoscience. We curb the use & acquisition of these low-cost, effective & efficient resources & instead buy these resources from America's own enemies. We purchase inefficient energy technologies from these same enemies, including the needed toxic minerals mined & made with slave & child labor. We close the pipelines that bring oil across America; we shut down drilling leases on public land & prevent new, more efficient refineries from being built. We promote inefficient means of transportation thus impeding an efficient supply chain. We allow mega-billionaires to buy our rich farmland; they often leave the land dormant or use these resources to support their investment in fake, over processed food. We allow foreign entities to also buy our farmland, potentially placing our food supply in the hands of America's enemies. And as a result of all of this, inflation soars & our standard of living quickly erodes. In the Bible, the Hebrews find themselves in Judah. God has promised them, for their obedience to His law, a land of plenty; His many blessings to be bestowed upon them. Instead, the people listen & adhere to "*prophets of no value*" & the idolatry they foolishly praise. God instructs Jeremiah to tell the people if they do not turn back to Him & deny the false prophets, they "*will suffer famine, foreign conquest, plunder & captivity in a land of strangers.*" Jeremiah claims he is not a prophet, but God places the words in his mouth. Jeremiah tells the people that the priests & scribes have altered God's word to promote their own false idols. But as Jeremiah preaches, he is persecuted. He complains to the Lord, who basically says, "*Tough luck kid, you will be persecuted even more.*" Jeremiah tries to keep his mouth shut, but "*the words burn in his heart.*" He follows God's instructions for a prophet – to not be afraid, to stand up to speak & to go where sent. But the Hebrews do not repent & Judah falls to its enemy, Babylon. America is blessed with a Land of Plenty. Its richness lies beneath the ground, an almost endless supply of energy & wealth. Its bounty rises from its rich soil, the same soil my family used to feed cows for milk, grow vegetables & fruits for the table & grapes for the wine. And its Greatness arises from its people – at the school board meeting, the town hall, the council meeting & ballot box – unafraid to stand up for their families, their children, their livelihood & their values. Yet, the false prophets try to shut all of this & these people down, much like the priests & scribes who altered God's words, by bastardizing our laws, values & beliefs. From Star Trek creator Gene Roddenberry, "*I condemn false prophets, I condemn the effort to take away the power of rational decision, to drain people of their free will & a hell of a lot of money in the bargain.*" Political scientist Ron Dart correctly points out, "*The objective of false prophets & teachers of whatever stripe is the influence & control of the minds of men.*" How do the false prophets gain this control? Martin Luther answers, "*It is the nature of all hypocrites & false prophets to create a conscience where there is none & to cause conscience to disappear where it does exist.*" Even President Franklin Delano Roosevelt, almost a century ago, understood the impact of false prophets; we should heed his advice today: "*To return to higher standards of living we must abandon the false prophets & seek new leaders of our own choosing.*"

INDUSTRY NEWS: Canned iced tea maker *Halfday* raised \$7.3M in funding from several investors. Non-alc spirits maker *Lyre's* raised £18M led by *Morgan Creek Capital Management* & *D Squared Capital*. *SkinnyDipped*, lightly coated cashews, almonds, peanuts & low-sugar chocolate confections raised \$12M from a group of celebrity investors. *GoodSport Nutrition* reported \$5.9M in new equity funding. *Eat Just*, alt-protein, closed a new round of financing led by *VegInvest* & *Ahimsa Foundation*.

Phycom raised €9M from *Corbion*, *Phase2.earth* & others to grow microalgae at industrial scale. Japan's *Toray Industries* invested \$8.1B in *Cellulosic Biomass Technology* to bring its ownership to 84% of the company which produces industrial cellulosic sugar from inedible substances. Brazilian food purchasing platform for small retailers, *Praso*, completed a \$9.3M round co-led by *Valor Capital Group* & *NFX*. Asian retailer ecommerce marketplace *Markato* closed a \$5M seed round led by *Lightspeed Ventures Partners*. Israel's *ViAqua Therapeutics*, health management products to prevent diseases in aquaculture, raised \$8.25M in funding led by *S2G Ventures* with participation from *Rabo Ventures*, *The Trendlines Group Ltd.*, *Agriline Limited*, *Nutreco*, *I-Lab Angels* & *Circle Investments*. *The Kitchen Hub*, the foodtech incubator & investment arm of Israeli food giant *Strauss Group*, raised a new \$70M fund & will launch an innovation center *The Kitchen Labs*, with the *Israeli Innovation Authority*. Minerals company *ICL Group* invested in AI agritech startup *Agrematch* to develop novel crop nutrition solutions. France's fermentation giant *Lesaffre* acquired a 10% stake in Israel's *Yeap* to bring to market products developed from upcycled yeast. *C&S Wholesale Grocers*, with backing from *SoftBank Group*, agreed to buy 413 grocery stores off-loaded from the *Kroger* & *Albertsons* merger for \$1.9B in cash. *TreeHouse Foods* sold its Lakeville, MN, manufacturing facility & snack bar business to *John B Sanfilippo & Son* for \$63M in cash. *Bill Gates* has taken a \$95M stake in *AB InBev* to support the beleaguered brewer. Brazilian meatpacker *Minerva Foods* will spend \$1.5M to acquire Brazilian rival *Marfrig*. *Iceland Seafood International* will sell its UK division to *Esperen*, a Danish seafood producer. *E&J Gallo* purchased the 700-acre *Rombauer Vineyards* along with three winery & production facilities & two tasting rooms. Chocolate confectioner *Yowie Group* purchased the plant, equipment & brand IP of chocolate maker *Ernest Hiller*. *Nestlé* will acquire Brazilian premium chocolate company *Grupo CRM*, terms not disclosed. *Pure Flavor* acquired Midwest greenhouse grower *MightyVine* in Rochelle, IL. *Equilibrium* & *Bosch Growers* won the bid for *AppHarvest's* Kentucky greenhouse facilities auctioned off through Chapter 11 bankruptcy protection. *Bain Capital* purchased restaurant chain *Fogo de Chão* for \$1.1B. *Splash Beverage* will seek new acquisitions by using a credit facility. *Edible Garden* priced its IPO at \$1.10 a share with 2.7M shares available. Environmental groups are challenging *JBS's* IPO based on the usual set of well-worn mantras. Indoor farming tech *Freight Farms* will go public in a merger with *Agrinam Acquisition Corporation*, valued at nearly \$150M.

Giant Eagle will offer same day delivery with *Instacart*. *Sprouts* opened its 400th store. To battle the increase in crime promoted by corrupt District Attorneys who refuse to prosecute, a *Giant Food* market in Washington D.C., will clear its beauty & health aisles of all national labels, such as *Tide*, *Colgate* or *Advil* & shoppers will need to present their receipts to an employee before exiting the store. *H-E-B* opened its largest eCommerce fulfillment center, 100K sq. ft., in Katy, Texas. *Instacart* is adding AI to its platform & its *Caper Carts*. *SpartanNash* teamed with *Upshop* to use its AI to improve efficiencies & reduce waste by predicting consumer demand. *PepsiCo* will introduce a *Gatorade* water hydration product in 2024. *Coca-Cola* will sell *BodyArmor* outside the USA. *Seal the Seasons* will expand in *Publix*. *Banza* will add frozen chickpea waffles. *DiGiorno's* is offering a limited time pineapple & pickles pizza. *Belliwelli* will expand nationwide at *Target*. Ireland's *Truly Grass Fed* dairy products will expand in more USA retailers both in-store & online, including *Amazon Fresh* & add SKUs at *Publix* & *Fresh Market*. Israel's *SuperMeat's* cultivated chicken cell lines meet Kosher meat Mehadrin standards. *General Mills* will invest \$48M to expand its frozen dough facility in Joplin, MO. *CJ Foodville*, a subsidiary of *CJ Group*, will invest more than \$47M in a new bakery & food processing facility in Gainesville, GA adding 285 new jobs. *JTM Foods*, a manufacturer of handheld snack pies, opened a new manufacturing plant in Wichita, doubling its capacity & distribution. *Barry Callebaut* will invest \$560M to reduce costs & create efficiencies. The University of California Davis genetically engineered a crown gall disease resistant walnut tree. American truckers are warning that the inefficient EV regulations & charging requirements coming from this administration will hamper the supply chain with excessive charging causing longer delivery times. Meanwhile *Grupo Bimbo* is investing in 2500 EV vehicles. Bioreactor specialist *ABEC* filed a lawsuit against *Eat Just's GOOD Meat* cultivated meat division for \$30M in unpaid invoices.

Walmart accounted for nearly 36% of all USA online grocery sales in 2nd QTR, up 5% YOY, per *Brick Meets Click/Mercatus*. From a *Newsweek* consumer survey *Publix*, *Wegmans*, *Trader Joe's*, *Fresh Thyme* & *Harps* offer the best customer service. From *Circana*, per capita annual yogurt consumption jumped from 7 lbs. in 2001 to 13.6 lbs. in 2011 to 14.3 lbs. in 2021; according to the USDA, yogurt accounts for 67% of the \$9B cultured dairy industry. From the *Good Food Institute*, plant-based foods are growing in foodservice as the overall plant-based food market slows down. Per *GuestXM*, restaurant foot traffic decelerated 2.6% in July from June, a trend that has been sustained since March. In an *American Heart Association* reported study, adults at risk of heart disease who were prescribed produce ate more fruits & vegetables & showed lower blood pressure, body mass index & blood sugar levels.

MARKET NEWS: Markets fell as investors forecasted inflation & rate stickiness & China limited *iPhone* use. High interest rates & wage compression caused the lowest monthly home loan applications since 1996.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

V10issue13.09.09.23

The Litchfield Fund is a family owned & operated limited liability corporation. We do not solicit or accept investment from outside individuals or entities. Opinions contained in *All Ears!!* are ours & should not be considered investment advice or recommendations.