



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

THE POWER OF COMMUNITY. Alexis de Tocqueville arrived in America in 1831, at age 26. He was on a mission from the French government to review the American justice & penal system. While America was a new nation on the world stage, as a society, America was already more than 200 years old. He traveled the USA, spending time in churches, town halls & on the village greens. He discovered the true power of the American community through his interactions with farmers & townsfolk. He then famously wrote, *"I understand the secret of her genius & power. America is great because America is good, & if America ever ceases to be good, America will cease to be great."*

NOT GOOD: We would like to believe we still live in a good society. If an elderly person is slowly making their way to the door, someone will patiently hold the door until they get there. If a young mother is trying to load groceries into her SUV while struggling with three kids in 100° heat, someone will lend a hand. If kids are playing on the streets, the neighbors will together keep a watchful eye. If a parent is needed to run a bake sale or someone is needed to deliver meals to the elderly, there is a volunteer. And if someone is in danger, citizens on the street will step in to stop the violence. But the news, over just the past few weeks, seems to tell a different story. Violent gangs of Venezuelan illegal immigrants took over apartment complexes in a Denver suburb & in Chicago. A teenage girl was stabbed at a Labor Day baseball game by an illegal immigrant who had been removed from the country in 2018 but returned. A man in Tennessee was killed by an illegal immigrant who buried a hatchet in his head. The New York City Police reported that 75% of crimes on the street are committed by illegal immigrants. Would a good society, a good government, allow this? Six hostages, including one American, were murdered by Hamas terrorists. Thousands of hateful terrorist sympathizers took to the streets of New York on Labor Day, preaching hate & throwing smoke bombs. Meanwhile, prestigious universities across the country began classes while still allowing for these hate-filled maniacs to protest & threaten Jewish students. How could people of a good society tolerate this? Meanwhile, the indoctrination of students continues as Colorado schools require sexually explicit readings to early elementary age students; teachers assigned a sexually explicit writing assignment in Hudson, OH; Minnesota banned teachers who understand biology & science; a Wisconsin mother was arrested for protecting her daughter at a school board meeting; an Oklahoma teen was reprimanded for having an American flag on his truck; & in New Hampshire, the state Supreme Court ruled that schools can help young children's sexual transition without parental knowledge or approval! These are not the hallmarks of a good society. Facebook's founder admits conspiring with the government to censor free speech & there are absolutely no arrests or penalties. Meanwhile, former President Clinton's Marxist Labor Secretary says Twitter's CEO, who offers a free speech platform & is trying to provide that platform to the Brazilian people oppressed by their Marxist leader, should be shut down & arrested - & the Minnesota attorney general offers his whole-hearted agreement. Again, this is not what a good society allows or how America, who should be a beacon for good in the world, behaves. Besides Brazil, let's look to Europe, where free-speech platform Telegram's CEO was arrested in France; British police arrested an 11-year-old for his posts; teacher Enoch Burke was arrested for the third time in Ireland for not conforming to gender policies & a study from Sweden showed the rise in attacks on women correlates perfectly with the rise in an immigrant Middle Eastern male population. America is failing on the world stage, well beyond the wars this administration allows. Here at home, with an election upon us, Alexa cannot comment on one candidate due to Amazon's policy of not being involved in politics but freely expounds the fictitious qualities of a former California side-chick. RFK Jr., vowing to fight childhood & chronic diseases by cleaning up our broken food system, joined his movement to make America healthy with the movement to make America great. Several states attempt to have his name stays on the ballot (though he sued to be removed) because his name on the ballot hurts the candidate they hate. But the same states removed a candidate (Cornel West) who could pull votes from the candidate they prefer. Meanwhile, the Natural Foods Industry, which touts cleanliness & health, is mum on RFK Jr., when they should be throwing the entire weight of the industry behind these two candidates who will support America's health & well-being! This goes well beyond not good; this is hypocritical! But election tampering is pervasive. A candidate finally gives a taped interview, just 18 minutes long (at least we now know where Nixon's 18 minutes went - look it up) with 23 minutes not aired & requires her emotional support male in tow. The news agency will not release the entire transcript, keeping Americans unaware & uninformed of her true Marxist/fascist policies & proposals that will destroy America. She ignores the press, hiding behind her phone & earbuds. The media covers her lies, such as promoting a false narrative about an Arlington Cemetery visit by the candidate they dislike. But the Gold Star families called out the media's hypocrisy & lies - they invited the one man who comforted them, talked with them, consoled them - not the regime that caused their loved ones' deaths & offered them no explanation. Several states revealed 2020 election fraudulent activity, finally eliminating hundreds of thousands of fictitious & illegal immigrant names from the voter rolls; added security to drop box locations & established laws to protect the ballot printing process. And while all this has been happening in the country & world over the last few weeks, the supposed leader of this country, just two months ago called by the mainstream media the best version of himself ever, was on vacation for 17 days & shuffling in the sand. A good nation would be aware of all these events & be appalled. But I doubt many reading this humble rag know any of this - or only know a version of it based on mainstream media lies. If a good nation knew the truth, such as six states allowing for abortion at or after birth, or that California tried to offer illegal immigrants up to \$150K of taxpayer money to buy a home, a good nation would be outraged. It is sad & disheartening that de Tocqueville's comment was actually a prediction. But with all that has been happening for years now & the toll it has taken on America & the world, & all that has happened in the microcosm of the past few weeks, America is not good, & we have lost our greatness. But de Tocqueville saw that America had a unique opportunity to remain great that other nations lacked: *"The greatness of America lies not in being more enlightened than any other nation, but rather in her ability to repair her faults."* In less than 60 days, we have the ability to correct our faults, & return this nation to her much-deserved greatness. The choice is simple. We can opt for freedom, democracy & greatness - or a nightmare of the worst form of socialism - a fascist/Marxist despotism; two options with nothing in common, except for as de Tocqueville points out: *"Democracy & socialism have nothing in common but one word, equality. But notice the difference: while democracy seeks equality in liberty, socialism seeks equality in restraint & servitude."*

INDUSTRY NEWS: Spiceology, chef-developed fresh spices & seasonings, raised \$4.8M from undisclosed participants. Springdale Ventures made an undisclosed investment in the Chicago area's Kooshy, sourdough croutons. In Canada, commercial baker Rustica Foods received a \$1M government

grant from the *Canada Economic Development for Quebec*. *Climax Foods*, plant-based cheese secured bridge funding to continue to function through year-end after cutting staff earlier this year; \$26M has been raised with *At One Ventures*, *Climate Capital*, *Bel Group* & others involved. Brazilian biotech startup *Cellva Ingredients*, ingredients for food & pharmaceuticals, raised \$1.5M from *ProVeg*, *Rumbo Ventures*, *AirCapital*, *Fundepar*, *EA Angels* & others. *Trill Impact Ventures* led Belgium's *Soil Capital's* €15M round; *Soil Capital* helps farmers move to regenerative practices. Also in Belgium, *Ventory*, remote field inventory management, closed on €1.75M led by *Finindus* & Munich-based *Matterwave Ventures*. *CeresAI*, data & analytics to reduce farming risk & improve yields raised an undisclosed Series D round led by *Remus Capital*. In India, *Blue Tokai*, coffee & bakery, raised \$35M from *Verlinvest*. *Aerflo*, tech device to aerate still water, raised \$10M led by *Lerer Hippeau* & *Torch Capital*; *Closed Loop Ventures Group*, *Good Friends*, *SWAT Equity Partners*, *WISE Ventures*, *Bluestein Ventures*, *RiverPark Ventures* & *Palm Tree Crew* were also involved. From the UAE, *Future Food Foundry*, agfoodtech, made a \$20M strategic investment in *NextGen Farms* & *Sustenir Group* in a merger to create the largest plant superfood ecosystem in Singapore. *Our Home* acquired *ParmCrisps* from *The Hain Celestial Group*. *Tyson Foods* sold its 49% stake in the India joint venture *Godrej Tyson Foods* back to *GTF*, who is now the sole owner. *Conagra* completed the previously announced sale of its 51.8% ownership stake in *Agro Tech Foods* in India. *Grupo Bimbo* acquired Brazil-based bakery group *Wickbold*. Sweet Valeo Foods Group has agreed to acquire I.D.C. Holding, which produces wafers, biscuits, confectionery and chocolate in Europe. *AS Equity Partners* acquired *HOCHDORF Swiss Nutrition*, maker of infant nutrition & other specialized foods. *T. Hasegawa* acquired privately owned *Abelei Flavors*. Sweet snacking platform *Valeo Foods Group* will acquire *I.D.C. Holding*, producer of wafers, biscuits, confectionery & chocolate in Europe. *Brynwood Partners* acquired frozen pizza manufacturer *Miracapo Pizza* from *CC Industries*. *Rouge River Farms* will acquire *True North Farms*, serving wholesale & retail produce markets. In juice production, *Perricone Farms* acquired *Natalie's Orchid Island Juice Company*. *Cargill* acquired feed mills in Denver & Kansas City from *Compana Pet Brands*, to grow in the ag retail & large ranching/farming segments in the American west. Soil analytics companies *EarthOptics* & *Pattern Ag* announced a merger of equals to take the digitization of soil health data forward; the company will operate under the name *EarthOptics*. In Germany, *Nosh.bio*, fermented fungi-based ingredients, will form a commercial partnership with the *zur Mühlen Group (ZMG)*, one of Europe's largest sausage producers, to offer plant-based analogs. *Playa Bowls* (250 locations) was acquired by *Sycamore Partners* from *Tamarix Equity Partners*. **ALL EARS!!** favorite & Arizona-based *Wildflower Bread Company* (16 locations) was acquired by Japanese restaurant conglomerate *Create Restaurant Holdings*. *Seven & i Holdings* turned down *Alimentation Couche-Tard's* \$38.5B cash bid, the largest-ever foreign buyout of a Japanese company. *Rite Aid*, with more than \$2.5B in financing, emerged from Chapter 11 as a private company. As part of *Red Lobster's* Chapter 11 plan, *RL Investor Holdings*, funded by *Fortress Investment Group*, *TCW Private Credit* & *Blue Torch*, will acquire the *Red Lobster* restaurant chain. *Mondelez* laid out plans to grow with acquisitions in targeted areas, possibly including cakes, snacks & pastries. *Unilever* will look to strengthen its ice cream business metrics prior to spinning off the business in 2025. John Lowe, veteran CEO of *Jeni's*, launched, *Amok Consumer Growth Fund*, with CPG veterans, *Rachelle Lynch*, *Timmy McCarthy* & *Ryan Parish*.

In its 1st QTR, *Alimentation Couche-Tard* was higher on revenue, lower on net earnings but posted a gain in EBITDA on what was generally regarded as a weak quarter. *Casey's General Stores*, fueled by strong demand for food offerings, saw a 2.3% 1st QTR gain in sales & a 7% increase in diluted EPS. *Dollar Tree* missed on revenue & income targets in 2nd QTR & lowered guidance. Turkey prices impacted *Hormel's* 3rd QTR; income rose but sales & units were lower. *Pepsi* is planning to significantly cut its *Celsius* distribution, which could create the energy drinks' first down quarter in many years.

Aldi will hire more than 13K store & warehouse employees for the upcoming holiday. *Foxtrot* will reopen a Chicago location in the Gold Coast neighborhood. *Metropolitan Market* will add *Amazon* for delivery. *Save A Lot* ownership group *Yellow Banana* has reopened the first of six grocery stores upgraded with support of a city grant. *Lidl Sweden* will sell fruit & vegetables grown to classical music. *Amazon* expects small ticket items from India to export through *Amazon's* platform \$5B of goods to America & England in 2024, up \$2B from 2023. KeHE launched a primary distribution partnership with online grocer *Good Eggs*. *Albertsons* launched *Overjoyed*, a new store brand featuring bakery, snack products, gifts & celebration supplies. *Grocery Outlet* launched its private label, *GO Brands*, with *SimplyGO* & *GO Home* & *Haven* to be followed by *GO Paw* & *Pamper* next year. *Every Body Eat* launched chocolate chip, cranberry vanilla & ginger cinnamon cookie bites. *Quest* launched a new line of low sugar & carb brownies & muffins. *Stellar Snacks* launched grain-free pretzels in three flavors. *Bunge* is putting \$1B into expansion, which includes investment in their Louisiana oil refinery. *Plenty* will build the world's largest vertical farm R&D center in Laramie, WY, with the support of state & local grants. *Elevate Farms*, vertical farming tech, has partnered with *Cultivatd*, an indoor farming brokerage & *Farming-as-a-Service* provider, to spearhead *Elevate Farm's* expansion into Europe with a new facility in Switzerland. *Disruptive Technologies* will integrate its wireless sensors with *Ecotrak's* facility management platform, to provide supermarkets with better cold case temperature monitoring & control. California will seek to ban the purchase of recycled plastic bags at grocery stores. Nebraska will look to ban cultivated meat. *Molson Coors* will end their DEI policies. California reported 30 cows with HPAI. *Impossible Foods* & *Motif FoodWorks* dismissed their long-standing legal battle with an agreement to not raise future allegations, as *Motif* closed the business despite \$345M in capital raised over the years. *Boar's Head* was hit with its first wrongful death lawsuit as more information is surfacing concerning *Boar's Head's* practices. *Barry Callebaut* named *Natasha Chen* the new president for North America.

According to the USDA, 47.4M people living in 18M households are food insecure, due to this administration's inflationary policies. From *Datassembly*, Vermont, Hawaii & Oklahoma have experienced the highest food inflation in the past 12 months. Per *Circana*, consumers continue to eat earlier breakfasts & snacking throughout the day. Mexican avocado exports to the USA are expected to total \$2.7B in 2024 & account for 90% of the avocados eaten in the USA. The Hass Avocado Board reported record-breaking avocado sales during Q2 holidays. Given the amount of broccoli **ALL EARS!!** eats on a weekly basis, we can attest to the fact that broccoli quality is suffering due to weather & insect problems. USA beef & pork exports enjoyed increases in July with pork trending toward a record year.

MARKET NEWS: Markets dipped to open the month & fell for the week as investors reacted to a fifth straight month of industrial contraction & recession fears. The semiconductor space led the downward trend on *Broadcom's* revenue & volatility spiked. For August, new jobs came in lower than expected at just 142K & June & July job numbers were significantly revised downward as this administration's gaslighting of the American public falls apart. American born & naturalized citizens lost 1.3M jobs in August, with foreign born & perhaps illegally-here-workers got 635K jobs. Job openings are at their lowest in years as the unemployment rate ticks up, indicating a continued slowdown in growth. European retail sales grew just 0.1%. The *Challenger Report* indicated August job cut announcements were the highest in its 20-year reporting history!

SEEDS, SPROUTS, GROW, HARVEST!
THE LITCHFIELD FUND – *Tom Malenga*
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