



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

WHETHER IT WAS A BIG BANG or the Hand of God, since the beginning time has ticked away second by second. Many of those seconds have been often repeated; simple, insignificant & mundane things like eating a meal or washing a pair of socks. Other seconds were historic & Earth shattering, either a leap forward for humans or inconceivable devastation. Great minds like Santayana & Burke warned that if we do not know history, we are doomed to repeat it. But even if we know history's events - the causes & the outcomes - history still does seem to repeat itself. Perhaps time is not linear but circular; or more likely as Voltaire wrote, "*History never repeats itself. Man always does.*"

REPEATED HISTORY: Every Memorial Day, history repeats itself as *ALL EARS!!* shares a story of service. We do this to honor those men & women who have protected our *sacred, precious, fragile freedoms* from those who seek to take these freedoms away – not just from us here in the USA, but from innocents around the world. In these pages we have shared stories of men, battles, wars, events, even ships & planes. We do this because people - a collective society of people with shared values - need heroes, whether living or dead. Heroes are inspiring, & while they may set a high standard to live by, in truth most heroes are ordinary people who have done extraordinary things. This only makes our heroes more inspiring. While the armed conflicts that we as a nation have been involved in provide us many opportunities to find heroes, it has been many, many generations of massive death & destruction since anyone has spoken about the glory of war. A mature & civilized society sees war, even when justified, as a tragic necessity. There is a wide range of estimates as to the deaths & wounded in the 20th century's two world wars. In WWI, called the Great War or the War to End All Wars, estimated military & civilian deaths & casualties including those who died from sickness & starvation range above 150M. In the war after that, WWII, with civilian deaths & casualties in the remote areas of the South Pacific & Eastern Europe difficult to document, not only do estimates range above 100M, hundreds of millions of innocent people lived essentially enslaved by the totalitarian power seekers that ravaged their countries.

Cicero tells us, "*The causes of events are ever more interesting than the events themselves.*" In the case of war this is certainly the truth. Unfortunately, books & movies tell the stories of exciting battles. Those books or movies that do attempt to share the events & causes leading to war often stray far from the truth or reflect a present-day societal bias. Society may have learned of the 'tragic necessity' of war, but nothing has been learned as to the reasons & causes for war. Shaw wrote, "*We learn from history that we learn nothing from history,*" & from Huxley, "*That men do not learn very much from the lessons of history is the most important of all the lessons of history.*" There has never been only one cause or reason for any war. Yes, there may be a final cause, an action or event that ends any opportunity for diplomacy. But in many cases, that path to war had been long established & diplomacy only delayed the inevitable.

If we look at the world around us today, there are eerie similarities to our past. We can see events, actions, situations in today's world that happened or existed in the past that led America to war. Let's do this historically. The French & Indian War was part of a larger global war but the conflict on the American continent was a result of trade conflicts & border insecurity. The French wanted to protect & expand their trade capabilities & with native Americans, violently raided colonial settlements. While there were many issues between the fledgling colonies & their British parents, the overarching cause of the American Revolution was the violation of human rights. Jefferson's Barbary Wars were caused by terrorism; Muslim pirates attacking ships & enslaving men in the Mediterranean Sea. The causes for the War of 1812 sound familiar – Britain's unfair trading practices & high import taxes, plus their interference trying to cause unrest & dissent among USA citizens. The Mexican War was once again a border issue, Mexico refusing to acknowledge Texas sovereignty & then its annexation to the United States. There were many reasons for the Civil War as the two siblings, the North & South, who were once close grew up with different values & attitudes, then grew apart. But the overarching reason was, once again, basic human rights. The Spanish American War is confusing, at best. Yes, the USS Maine blew up for debated causes – terrorism, accident, conspiracy. But Cuba was fighting for its independence from Spain & there were reports of Spanish concentration camps in Cuba. The newspapers played on these two stories to rile people to the cause; at the time it was called yellow journalism & today it is called fake news. Terrorism led to the USA's early 20th century presence in the Philippines & Mexico, where several of WW2's great generals began their military careers. The causes of the First World War are endless. The overriding issues stemmed from governments refusing to recognize their populations were growing socially & economically while centuries-old imperial rivalries & fears still existed. We should find it disturbing that the recent Slovakian assassination attempt was almost exactly 110 years after the assassination of Archduke Ferdinand in Sarajevo. These eerie disturbances are even more apparent as we explore WWII. Of course, there were the human rights issues, the same hatred we see on college campuses today. But there were also border violations. Germany marched into the Rhineland, took Austria, annexed the Sudetenland & then the rest of Czechoslovakia. Italy took Ethiopia & established a presence in Northern Africa. Japan marched on China & Korea. Each of these events led to persecution, death & destruction, driven by racial, ethnic & cultural hate. Diplomacy, in the form of appeasement, only strengthened these nations. There were treaty violations that allowed Germany, Italy & Japan to strengthen their armies, navies & air power, while much like today, the USA was ill-prepared for a major war. Trade of essential materials, like rubber & oil, were in dispute. In some ways, America's intervention in Korea & Vietnam was an example of man learning from history. America had seen the devastation of the totalitarian fascist, socialist & communist regimes & stepped in to prevent these regimes from furthering their evil expansion. The USA presence in the Persian Gulf region resulted from border intrusions, terrorism & the protection of human rights.

All these past historical events exist in the world today. We have undeclared enemies getting stronger by using our own society, economy & trade against us. They use social media to influence our values, morals & what is taught to our children in schools & universities. They interfere in our elections & support corrupt officials, while the news media says, "*Look here, not there,*" to pull the wool over Americans' eyes as to the corruption. These undeclared enemies help this weak & corrupt government destroy our economy by offering cut rate agenda-driven products that serve no purpose. Borders are violated in eastern Europe, the Middle East, the China Sea & right here in the USA. Ethnic, cultural & religious hate exists in Africa, South America, the Middle East, China & other places around the world. On our own campuses & streets, we see a hate so vile, so evil, it once took a cataclysmic war to try to rid the planet of this stain on mankind. Terrorism continues to come closer to our homes due to this government's unwillingness to protect our borders & its citizens. Our weak leaders'

only form of diplomacy seems to be appeasement, which, as history shows us, always fails. And as with WWII, our military is woefully unprepared, as this government since January 20, 2021, has changed the military's focus to social driven standards that weaken our mission & lower recruitment. Unlike in the aftermath of Vietnam, today we say we honor those who have served. But do we? Our veterans get terrible support & care from the Veterans Administration with too many dying or turning to alcohol, drugs, the streets & suicide.

Today the world is as close as it has ever been to a truly destructive war. The world is a scary place. It can quickly go from scary to terrible. Many times in human history the stop gap has been the USA military. The men & women who understand the evil in the world who have, either by choice or draft, stepped in to fill the void are to be honored & cherished. Those who perished, those who were wounded & those who returned unscathed are all heroes. And so are their families, who through time have kept watch & remained faithful with a loyalty worthy of Ruth herself. These men, women & their families are truly America's treasure. And like any treasure, they should be saved, spent wisely & spent only when necessary. Can we learn from the events of the past & possibly prevent an inevitable outcome? From H.G. Wells, "*Human history becomes more & more a race between education & catastrophe.*" With the weapons that exist today in the hands of evil regimes, any conflict will result in a devastation never quite seen. We cannot ignore our history; we must know it & use it to shape what we value or face the consequences, for as aeronautical engineer & science fiction writer Robert A. Heinlein wrote, "*A generation which ignores history has no past — and no future.*"

God bless all those who fill the void.

INDUSTRY NEWS: Gallo made a strategic investment in Montana beer brand *Montucky Cold Snacks*. In London, *All Things Butter* raised £2.2M led by *Access Industries* with *Active Partner* involved. *Save Da Sea*, plant-based alt-seafood, raised C\$650K from *Thrive Lab, Spring, What If Ventures & YSpace*. *Peruvian Veef*, plant-based alt-meat, raised \$320K led by USA investors *Ahimsa Foundation & Sustainable Food Ventures*. *Relocalize*, autonomous food micro-factories at grocery distribution centers, raised \$5.8M led by *Desjardins Capital*, with participation from *i4 Capital, Waterpoint Lane & RGS Ice*. *Restaurant365*, a restaurant enterprise management platform, raised \$175M led by *ICONIQ Growth* with participation from *KKR, L Catterton & others* participating. In London, *Nory*, an AI operating system for hospitality, raised €14.7M led by *Accel*, with *Cavalry, Playfair, Samaipata & Triplepoint* participating. Farm accounting solutions *Traction Ag* received an investment from *Cooperative Ventures*. *KETOS*, a water quality intelligence platform, closed on \$10M led by *Tenfore Holdings*, with participation from *Danu Venture Group Broadway Angels, Plum Alley Ventures, Plug & Play Ventures & Accenture*. *Enifer* raised €36M in debt & equity to scale mycoprotein production for animal feed; the round was led by *Taaleri Bioindustry Fund I*, with *Nordic Foodtech VC, Voima Ventures & dairy giant Valio* involved. In Denmark, *FERM*, vegan cheesemaking process that closely mimics that of dairy, received €1.3M in funding from *The BioInnovation Institute*. In Chile, vertical farm *AgroUrbana* raised \$6M, led by *ALB Investments*, to expand five-fold. The Canadian government will invest C\$1.7M in *Italpasta* to enhance the company's production of made-in-Canada pasta products. *Xochitl* will be acquired by the investment firm *Forward Consumer Partners*, which recently acquired *Firehook Bakery*. *Panos Brands* purchased smoked salmon producer *The Santa Barbara Smokehouse*. *Encore Consumer Capital* acquired *Chalet Desserts*, frozen bakery desserts & baked goods; terms not disclosed. *Wise Equity* acquired a majority position in Italian baked goods company *Casa della Piada* from *Aksia*. *Dessert Holdings* acquired *Kenny's Great Pies*, maker of clean label pies, from *Kaho Partners*. Meat snack producer *Western Smokehouse Partners* acquired *Golden Valley Natural*, a fellow meat snack company in Idaho. *Sweetmore Bakeries*, specialty baker, acquired the *Sweet Eddie's*, a wholesale manufacturer of cinnamon rolls & other baked goods. *Tate & Lyle* will sell its remaining 49.7% interest in *Primient*, corn derived products, for \$350M in cash to *KPS Capital Partners*; *Tate & Lyle* is now a fully focused specialty food & beverage solutions business. *GrubMarket* acquired *Butter*, a food wholesale/distribution record operating system. *Acosta Group* acquired *CROSSMARK & Product Connections* from Dallas, Texas-based *WIS International*. *Mucci Farms*, part of *Cox Farms*, acquired *Hacienda North Farms* to expand its greenhouse network with a 159-acre facility located in Coatsworth, ONT. Oregon awarded \$8.6M in grants to 14 meat processors. The CEO of *Merit Functional Foods*, a protein manufacturer, claims the flood of cheap Chinese pea protein flooding the market led to its bankruptcy. *Sprouts Farmers Market* authorized a \$600M share repurchase. *Red Lobster* filed Chapter 11 bankruptcy. *Edible Gardens* announced a \$6M IPO.

Target had weak sales numbers in 1st QTR as price weary consumers pulled back their spending. *BJ's* showed all-around growth in 1st QTR. There were slight improvements in 1st QTR at *Flower Foods*; forecasts remain unchanged as management feels there are consumer behavior risks. *Oatly* showed 1st QTR revenue growth, lower expenses & a smaller YOY loss.

UNFI extended its distribution partnership with *Whole Foods Market*, which was due to expire in 2027, to 2032. *Lidl* will launch a new meat brand & revamp its meat merchandising. *Target* is cutting prices on 5K items. *Amazon Fresh* will also lower prices with weekly discounts. *Schnuck Markets* will use the *Ibotta Performance Network* for digital promotions. *Walmart* will offer members access to 24/7 virtual veterinary care through *Pawp*. *Amazon* is adding *Lucky Supermarkets* as a grocery delivery partner. In these inflationary times, *PCC* sent a letter to its members asking them to spend more! *Walmart* will feature a broader fresh offering at a new larger neighborhood concept store. *Kroger* will offer a Memorial Day grilling package for less than \$4 per person. *Gelson's Markets* will expand its *Invafresh* partnership by using its AI technology for instore production & kitchen operations. *Nestlé* launched a weight management brand, *Vital Pursuit*, that will feature frozen bowls, sandwich melts & pizza. *Lactalis Canada* will launch a plant-based milk line. *Teton Waters Ranch* launched a new lineup of children's food with healthier & well-rounded ingredients. *Van Leeuwen Ice Cream* formulated with *Ollie* a human-grade fresh dog food, an ice cream product for dogs in peanut butter & banana flavors & safe for dogs. The Rubyglow Pineapple, sold exclusively by grocery outlet *Melissa's Produce* in California, is currently retailing at \$395.99 online & is already sold out. *Diageo* will trial a paper-packaged *Bailey's Irish Cream*. *Herr Foods* will invest \$31M for a new plant & another facility upgrade in Ohio. *Sysco* opened a Pennsylvania distribution culinary center to service PA & NJ. *Weaver Popcorn Manufacturing* will invest more than \$22M to upgrade its plant in Van Buren, IN. *Shearers* may build a new facility in Ohio with newly approved tax credits. *Bridor* will invest in a new baking facility, its fifth, outside Salt Lake City. *Maple Leaf Foods* will close its 100-year-old plant in Brantford, ONT. *Pluri & Wilk Technologies* will collaborate to develop & scale human breast milk-derived food production. *ThroughPut.AI & Inteligistics* will partner on produce supply chain solutions. *Brightseed* will expand its microbiome discovery capabilities. *ADM* launched a new online storefront at *ADMbuydirect.com* that provides accessibility to ingredients for producers in the USA. *Mondelez* was fined \$366M for hindering the trade of chocolate, cookies & coffee in Europe to keep prices high. With USDA approval, Israeli-based *Blue Tree Technologies* will bring its sugar reduction technology system for food to the USA. Iowa joins the list of states placing restrictions on cell-cultivated alt-meat. More than 900 agricultural groups are asking Congress to take action against California's Prop 12.

For the third consecutive year, *Schnuck Markets* was selected as a Best Managed Private Company by *The Wall Street Journal & Deloitte Private*. Per the *Urban Institute*, 55% of adults have purchased groceries on credit & 20% have used savings to purchase groceries. Reversing a trend, the *Hartman Group & FMI* report that consumers are returning to the supermarket after years of mass & club retailer growth. From *Morning Consult* & the dairy industry, vanilla is the # 1 ice cream flavor, followed by chocolate, strawberry, butter pecan & cookie dough. According to the *2024 Power of Meat*, 87% of consumers say case-ready meat is as good or better than meat cut & packaged in the store. From *Purdue University*, 33% of consumers would not try cultivated meats. From *Kantor*, UK grocery prices are 2.4% higher YOY. From the fox in the hen house, the California Department of Pesticide Regulation shows that 97% of fresh fruit & vegetable samples contain no illegal pesticide residue.

MARKET NEWS: Markets dumped on Thursday as investors figured out the FED's narrative on rate cuts & inflation was hokey with economic indicators suggesting another round of inflation is likely.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Maloney*

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