



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



"A THOUSAND PEOPLE IN THE STREET; *Singing songs & carrying signs; Mostly say, 'Hooray for our side!'"* Stephen Stills' haunting lyrics resonate almost sixty years after the 1967 *Buffalo Springfield* hit song, *For What it's Worth*, was on the radio. The '60s & '70s counterculture of sex, drugs & rock 'n' roll has become today's culture while the then establishment, believing in traditional American values – hard work, family & God – is now the counterculture. Our society became more polarized as these roles switched, driven by politicians, media & educational systems requiring the masses to believe & adhere. But maybe our society would be less polarized if we were more polarized?

POLARIZED: Noah Webster published his first dictionary in 1806. He spent the next 20 years working to expand & enhance his work. He studied the etymology of words, travelling & learning 26 different languages. He wanted to standardize the grammar, pronunciation, usage, definition & spelling of American English to eliminate regional differences & misunderstandings. Webster took the U out of flavor, the UE out of catalog & 'Center' replaced 'Centre,' except for those trying to project an uppity air! When Noah Webster passed away in 1843, G&C Merriam Company acquired the rights to Webster's dictionary. The *Merriam Webster Dictionary* is the standard we all adhere to & after more than 200 years, when they choose their *Word-of-the-Year*, we should probably take heed. The publisher does seem to have a dark view of our dark times, as their recent past *Word-of-the-Year* picks are polarizing in themselves: *they, pandemic, vaccine, gaslighting*. So it's no wonder that the *Merriam Webster 2024 Word-of-the-Year* is *polarization: (po-lar-i-za-tion) division into two sharply distinct opposites*. Yet wouldn't our society be less polarized if we were more *polarized*, as in *North Polarized? (You were wondering when I was getting to Christmas, right?)* Imagine a town filled with beautifully decorated Christmas trees amidst a soft, white cloud of endless snow. Much better than one city-budget-busting (with less lights than prior years due to energy prices) tree in the Town Square where the squalor, trash & crime is *Rockin' Around the Christmas Tree* all night long, preventing families from enjoying the scene! Imagine an endless supply of inflation free cookies, candy canes, peppermints, eggnog, chocolate & hot cocoa! I am sure no one at the North Pole is worried about HPAI in the chicken flocks & the price of cocoa beans. There are no climate crazy teenagers shouting in your face – it is always snowing – snow, snow, snow, snow, snow *as Bing, Rosemary, Danny & Vera would say!* The skies are filled with flying reindeer (well, that may be worse than birds on a wire) & sleighs, but that sure beats mysterious drones that may be China, Iran or our own government spying on us! (Or an advanced octopod alien race looking to update their holiday recipes for *Earthing* or in need of slaves for their tennis shoe factory that require four pairs to a box! Talk about the Christmas rush!) Imagine going to work each day for a jolly, cheery boss focused on pleasing not just everybody in the North Pole but, if possible, around the world! (Just to be clear, we are talking about Santa Claus, not the incoming Washington DC Administration's Boss.) Wouldn't it be nice if everyone had endless job opportunities; work to keep peoples' hands busy doing something they loved & found meaningful & joyful, like building toys to bring smiles to children's faces & love into their hearts & homes! (Again, for clarity, we are talking about the elves, not the incoming Cabinet members & White House staff that will be happily working to *Make America Great Again*.) And your boss, actually the North Pole's leader, is also the Chief Marketer, responsible for spreading a message of joy, peace, love & generosity around the world. (Wow, seems familiar again!) But still, as wonderful, cheery & jolly this leader may be, he still holds people responsible for their own actions! Those that exude bad behavior get a lump of coal (which should return to more normal, lower prices under the next administration's *Drill Baby Drill* energy policies!) Yes, we need our society to be more *North Polarized*. We need to be more jolly, cheerful, kind & generous. We need to spread goodwill wherever we go! We need to open doors for the elderly, protect & educate our children & create meaningful work for our citizens. But like Santa, we need to hold evil-doers accountable. The elves enjoy their work, find it meaningful, because they know the bad children & bad people are not benefiting from their hard work! Imagine in our Nation if we were assured our tax dollars were not spent on worthless socially driven projects, meaningless wars, unjust prosecutions, lining the pockets of foreign enemies & corrupt domestic politicians & hand-outs to those who are only here for the effortless access to our bounty & generosity. Do you think an elf would be happy laboring over a toy truck if it went to a boy who trespassed on a neighbor's lawn, stole, looted & bullied? Of course not! The policies, practices & projected results of our Nation's incoming leadership will help us, a country & society, be more *North Polarized!* So maybe for the first time in its history, *Merriam Webster* will award a back-to-back repeat winner for their *Word-of-the-Year* with a totally new meaning: *Polarization: (po-lar-i-za-tion) the uniting of two sharply distinct opposites that both embrace the spirit of Christmas, Santa Claus & the North Pole into their daily lives & governmental processes*.

INDUSTRY NEWS: Celebrity founded *Khould Popcorn* raised \$4.5M from undisclosed investors. *Sojourner Consumer Partners* led an investment round in the *Hawaii Coffee Company*; *Bochi Investments* participated. In Israel, *Gaven Technologies*, maker of *Fatrix*, a plant-based fat, raised \$8M from *Lever VC & DarkBoot Group*. *iYa Oaxaca!*, the Mexican mole, sauces & adobos maker, won \$100K to scale operations from *PepsiCo's 2024 Greenhouse Accelerator Program*. *Nexus W2V*, agricultural waste recycled to natural gas, raised \$75M from *Orion Infrastructure Capital*, with additional investment from *Nexus Holdings, Khasma Capital & debt financing from Ameris Bank*, to build a bioenergy facility in La Porte, IN. In Denmark, *AgriRobot* completed a €2M round for its autonomous agricultural robots. Swiss-based *Syngenta Crop Protection* will partner with crop health company *Enko* to discover novel weed control molecules to provide farmers innovative herbicide solutions. UC Davis spinoff

One Bio, proprietary technology to turn agricultural waste into odorless, colorless & tasteless food fibers, raised \$27M led by *AlphaEdison*, with *Leaps by Bayer*, *Mitsui E12*, *Morado Ventures*, *ReMY*, *DSM*, *iSelect*, *Skyview Life Sciences*, *Collaborative Fund* & *Acre Venture Partners* involved. In Japan, fresh food distributor *Kamereo* raised \$7.8M from *Sumitomo Corporation*, *Inspire*, *SMBC Venture Capital*, *Mitsubishi UFJ Capital* & *Reazon Holdings*. *Nestlé* sold its New Zealand business subsidiary *Egmont Honey* to China's *Huatai International Private Equity Fund*. *Furlani Foods* will acquire *Cole's Quality Foods*, bringing together two leading brands in the garlic bread category. *Fresh Express* acquired *McEntire Produce*, a fresh-cut processor, repacker & wholesaler supplying the foodservice industry since 1938. *Golden Grail Beverages*, beverage manufacturer that develops & invests in beverage brands, will acquire beverage co-packer *United Product Development Corp.* (*UPDC Beverages*), a beverage co-packer. In Wales, *Ty Nant* bottled water bought *Fonthill Water* & *Decantae Mineral Water* from *Primo Water*. *Oxbow Brewing* acquired *Rising Tide Brewing*. *SHS Drinks* acquired British beer company *Shandy Shack*. *CULT Food Science* acquired another plant-based meat company, *The Better Butchers*. *CookUnity*, B2C delivery platform for chef-created meals, acquired *Cookin*, an online chef culinary commerce platform based in Toronto. *IGA* acquired media company *Inmar's Scanner Applications*, aimed to help independents offer on-shelf deals. Gene editing salmon company *AquaBounty* closed operations. In Hong Kong, the *WH Group* stockholders approved a USA IPO & spinoff of *Smithfield Foods*. *Walgreens* is reported to have approached PE-firm *Sycamore Partners* about a possible sale. *Bloomberg* reported that *Mondelez* is exploring a takeover of *Hershey*; *Hershey* rejected the bid as too low. A federal judge in Oregon & a Washington state judge have ordered *Kroger* & *Albertsons* to halt their plans to merge; in turn, *Albertsons* has terminated the merger agreement, alleging *Kroger* did not offer an adequate divestiture package & repeatedly ignored regulators' concerns. *Kroger* will buy back \$7.5B of stock.

Costco reported that 1st QTR net sales increased 7.5% (to \$61B) & net income hit \$1.8B, up from \$1.59B; the stock rose despite revenue missing expectations by \$5B. *Sobey's* parent *Empire* reported 2nd QTR revenue & EPS slightly higher than the prior year as same store sales rose 1.8%. *Ollie's Bargain Market* achieved YOY 3rd QTR gains, beating EPS estimates but slightly missing revenue projections. *UNFI* posted net sales of \$7.9B, up 4.2% in 1st QTR, with a net loss of \$21M, down from \$39M a year ago. *PepsiCo* & *Coca-Cola* received upgrades as non-alcohol beverage consumption increases.

Whole Foods opened three new stores in Connecticut, New Hampshire & Florida. *Publix* opened a store in Hollywood, Florida with a boat dock. *The Fresh Market* opened two stores in the Boston area. *Walmart* will invest \$300M in Alberta to open new stores & modernize existing locations. *Aldi* opened 100 USA in 2024. *Safeway* will close a Fillmore neighborhood San Francisco store location due to theft & safety concerns. *DeCicco & Sons* will open a location in Scarsdale, NY, at a remodeled *DeCicco Family Markets* store location. *Sprouts Farmers Market* received *Progressive Grocer's Retailer of the Year* award. *Meijer* tripled its delivery range to serve an additional 4MM households. *Amazon* is testing 15-minute-or-less grocery delivery in India. *BrightFarms* opened its first Texas greenhouse in Leno, building a 1.5M sq. ft. facility. *Richardson International* will expand its oat mill & processing plant in South Sioux City, NE, doubling its granola packaging capabilities. *Revvyve* & *Lallemand Bio-Ingredients* will partner to produce cleaner, healthier, animal-free texturizing ingredients. *Ajinomoto Health & Nutrition* will host a startup challenge, the *Next Generation Taste & Texture Technologies*, to partner on bringing innovative ingredient ideas to market. *Ahold Delhaize* & *Campbell* will partner to test regenerative agriculture practices for potatoes. *General Mills* will debut *Cheerios Protein*. *STÖK* will offer an RTD decaffeinated cold brew. *Fresh Del Monte Produce*, through its vegetable division *Mann Packing*, will launch *Newman's Own Salad Kits*, the first-ever packaged salad kits from *Newman's Own*. *Mush*, ready-to-eat overnight oats, launched a refrigerated protein bar line. *Superfresh Growers'* new *Orchard Buddies* branded organic apples are aimed at kids, the brand is creating its own collection of friendly animal characters. *Tillamook* won the Best Cheddar award at *2024 World Cheese Awards*. *Grimaldi's Pizzeria* is launching a line of pasta sauces; marinara, tomato basil & arrabbiata sauces. *Conagra* is adding GLP-1 package messaging to its *Healthy Choice* frozen meals. Japan's *Lawson* convenience store launched a test of drinkable mayonnaise, *Nomu Mayo*. *Hostess* has refreshed its logo. *Innovative Food Holdings*, specialty foods, gourmet specialty meals, gluten-free foods & direct-artisanal foods for chefs, has changed its name to *Harvest Group Holdings*. Thieves in northern England stole a van carrying 2,500 pies worth \$31,600 made by a Michelin-starred chef that were to be delivered to the *York Christmas Market*. *Post Holdings* reported a *Michael Foods* third-party egg-laying facility in Iowa tested positive for HPAI with 4.5M egg-laying hens, 12% of *Post Holdings'* controlled supply. *Michelob Ultra* has surpassed *Bud Light* for the top spot in USA bar taps. *Krispy Kreme's* online ordering was disrupted by a cyberattack. The USDA ordered testing of unpasteurized milk for HPAI. The Department of Labor is looking into claims that illegal immigrant teenagers are working at a *Hello Fresh* prep facility in Aurora, IL. *Mondelez* & *Kraft Heinz* are among the targets of a lawsuit stating that Big Food is designing & marketing ultra processed foods to be as addictive as possible. *Outfox Hospitality* is facing \$3.8M in back wages & fines for not providing workers proper notification when *Foxtrot* shut its doors earlier this year. *Meati* settled a lawsuit claiming their product is derived from mushroom root when it is actually derived from a fungi. Per reports, polarized Washington DC restaurant workers are throwing a childish tantrum & will conspire to treat members of the new Administration poorly, with rudeness & slow service, to protest the American voters' mandate for new leadership. *Ahold Delhaize USA* named Greg Finchum as *Food Lion's* next president. *Hershey's* confection president, Michael Del Pozzo, will leave after 3 months to return to *PepsiCo*.

The USA online grocery market in November reached \$9.6B in monthly sales, a 17.8% increase over last year according to the *Brick Meets Click/Mercatus*. Grocery sales in the UK increased by 2.5% in the four weeks of November as shoppers prepared for Christmas, according to *Kantar*. Food prices rose 3.8% YOY in November & restaurant prices rose 3.6% in the same period. Cold weather is impacting the California & Arizona lettuce crops. Beef & pork exports increased YOY with pork volume & value at record highs. After recent hurricanes, Florida is projected to experience the smallest citrus crop in 95 years.

MARKET NEWS: Markets were mixed for the week with only the Nasdaq posting gains. Consumer prices rose 2.7% YOY & Core CPI climbed 3.3%. The November PPI (Producers Price Index) came in at 3% YOY, well above expectations; as did Core PPI at 3.4%. Despite the rising inflation numbers, the market still seems to expect an interest rate cut at next week's final 2024 Fed meeting. Initial & continuing jobless claims rose significantly. Small Business optimism jumped significantly post-election.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – Tom Maloney

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