



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

**THE HOLIDAY SEASON** is for many a time of reflection. From Thanksgiving to Christmas, we tend to look back on the year or even our entire lives. We seek to relive moments of joy & happiness, to rationalize sadness or failures & to forgive those who transgressed against us. But sometimes the sin is so deep, the loss is so overwhelming, that simple reflection cannot ease the pain. This is more difficult in a world that is now so deeply deranged that every day another great evil arises from the bowels of humanity. Not wanting to know about or encounter one more bad event or person, we awake most days to offer the simple prayer of singer Don Williams, "Lord, I hope this day is good."

**A GOOD DAY:** Americans had been through a lot - had accomplished a lot - by October, 1789. In just 182 years they had carved out a glorious & abundant future from a vast wilderness. They had survived the harshest weather; braved war & hostilities; conquered floods & famine; established trade, commerce, capitalism & religious freedom. They overcame the oppressive, overbearing, overreaching British monarchy to establish a free & lawful society. They were led by great men; men who penned the two most significant documents ever written. One of these men introduced two amazing words; words that today are more important, more meaningful, more needed & more inspiring than ever before: *self-evident* & *unalienable*. These words were placed in the most consequential phrase ever written, one that has shaped the very essence of humankind & its existence for the last 250 years & must be taken to heart by every freedom loving individual around the world for this planet to survive: *We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty & the pursuit of Happiness.* And above all this America had these great leaders, leaders who valued their *Sacred Honor* more than they valued their lives & fortunes. George Washington became the President on April 30, 1789. America was grateful & thankful for the blessings God had bestowed upon them & all they had overcome to build a nation & to win their independence to become the beacon for humanity's freedom & prosperity. Washington recognized this, & October 3, 1789, issued the following proclamation: "Whereas it is the duty of all Nations to acknowledge the providence of Almighty God, to obey His will, to be grateful for His benefits, & humbly to implore His protection & favor -- & whereas both Houses of Congress have by their joint Committee requested me to recommend to the People of the United States a day of public thanksgiving & prayer to be observed by acknowledging with grateful hearts the many signal favors of Almighty God especially by affording them an opportunity peaceably to establish a form of government for their safety & happiness. Now therefore I do recommend & assign Thursday the 26th day of November next to be devoted by the People of these States to the service of that great & glorious Being, who is the beneficent Author of all the good that was, that is, or that will be..." Washington's proclamation continues to not only offer thanks for building a nation & winning the war, but for "the great degree of tranquility, union & plenty" the country was enjoying! Washington offers thanks for the "the peaceable & rational manner" in which the government was formed & was being run; the "the civil & religious liberty" with which the people were blessed; & the methods for "acquiring & diffusing useful knowledge!" Washington asks for God to render the national government a blessing; for it to be wise, just, good & constitutional; to promote religion, virtue, lawfulness & science! My, how we & our leaders have let down George Washington, the Father of Our Country! For anyone who pays attention; who honestly reviews the daily news; then looks objectively upon our streets & schools, understands the economic landscape, explores conflicting scientific suppositions, learns the history & philosophy of global opponents & observes how religious & civil liberty justice is being applied, it is clear we have failed to live up to Washington's noble & necessary proclamation. We should, as individuals & people, be able to find reasons to be thankful & grateful each & every day. But how can we, when the vilest transgressions, eviler than the day before, seem to happen every day? And how can we forgive those transgressions, when they only continue to happen? How can we be thankful as we watch civilized societies & nations collapse around us? But if the current events shaping this human existence make gratefulness unattainable, we can choose to be thankful for the little things that happen during the day - the smile of a loved one, the loyalty of our most faithful friend (two-legged or four-legged), the warmth of the afternoon sun, the beauty of a mountain snow & the Glory of the morning dawn - the simple blessings of a good day! So we will continue to pray for & be thankful for a simple good day. Happy Thanksgiving!

**INDUSTRY NEWS:** *Spirited Brands* raised a \$4.5M seed round & will launch two low-alcohol beverage brands early next year. Celebrity-led *Skky Partners* acquired a minority stake in *Truff*, its first investment. *The Cumulus Coffee Company*, compact cold brew coffee compact machines, raised \$20.3M led by *Valor Siren Ventures* & *Valor Equity Partners*. Canadian government

investment arm *Protein Industries Canada* invested \$11.4M in plant-based salmon brands *New School Foods*, *Liven Proteins* & *NuWave Research*. *Grubbly Farms*, grub protein pet food, raised \$8.6M from existing investors *Overline* & *Oval Park Capital*. *Le Fourgon* raised €10M for its reusable beverage containers from *Id4*, *Teampact* & others. Finland's *Solar Foods*, protein made with hydrogen & CO2 instead of sugar, raised \$8.8M led by *Springvest* with existing investors including *Happiness Capital*, *Lifeline Ventures*, *VTT Ventures* & *Fazer Group*. France's Digital marketing restaurant platform *Malou* raised \$10M for expansion from *henQ*, *Bleu Capital Management* & others. Also in France, *RED Horticulture* secured €17M for its greenhouse LED tech; the round was led by *The European Circular Bioeconomy Fund*, *Demeter IM* & *Unigrains*. *TômTex*, alt-leather from seashells & mushrooms, closed \$2.25M led by *Happiness Capital*. Precision ag management company *Doktor Technologies* raised an undisclosed Series A round led by *Diffusion Capital Partners*. Ohio pork producer *Hord Family Farms* acquired Minnesota-based *New Horizon Farms*. *SK Capital Partners* completed its acquisition of *J&K Ingredients* from *CORE Industrial Partners*. *The Duckhorn Portfolio*, a luxury wine company, will purchase chardonnay producer *Sonoma-Cutrer* for \$400M from *Brown-Forman*, with 21.5% of the purchase in *Duckhorn's* stock & \$50M in cash. *Canopy Growth's BioSteel*, dropped earlier this year, will be sold in parts to *DC Holdings* & *Gregory Packaging*. AI-powered CPG manufacturing platform *Keychain* raised \$18M led by *Lightspeed Venture Partners*, with participation from *BoxGroup*, *Afore Capital*, *SV Angel* & others. Mexican street food concept *Rreal Tacos* purchased a majority stake in traditional Mexican restaurant *Zócalo*, terms not disclosed. Singapore-based agrifood investor *VisVires New Protein* rebranded as *Clay Capital* & closed its second fund at \$145M. *Sustainable Food Ventures* suggests that probably 70 to 90% of cultivated meat companies will fail in the coming year.

*BJ's* had bounce back growth in 3<sup>rd</sup> QTR led by growth in digital sales. *J&J Snacks* saw 4<sup>th</sup> QTR net income jump 67% on a 13% sales increase driven by results from the *Dippin' Dots* acquisition. In *BellRing's* 4<sup>th</sup> QTR net sales rose 24.6% & volumes increased 19.4%; earnings exceeded estimates. *Edible Gardens* had a 20% gain in 3<sup>rd</sup> QTR sales but its loss widened slightly. *Monster* had a blow-out 3<sup>rd</sup> QTR as it integrated *Bang Energy* & pushed the acquired brand into more locations. *Oatly* missed 3<sup>rd</sup> QTR estimates. *Celsius* reversed a previous year loss with record 3<sup>rd</sup> QTR revenue & an earnings beat. *Tate & Lyle* reported a 7% revenue increase in the first half & confirmed its second half forecast. Pricing, product mix & productivity led to a 49% income jump at *Ingredion* in 3<sup>rd</sup> QTR; sales grew slightly. A *TD Cowen* report suggests *Beyond Meat* is in trouble as its USA market collapses with sales dropping almost 10% in 3<sup>rd</sup> QTR. New products & value deals increased sales & traffic slightly in *Wendy's* 3<sup>rd</sup> QTR; net income rose 15%. Net income rose 26% in *Yum! Brands'* 3<sup>rd</sup> QTR, with growth in units & sales.

*Sprouts* will continue to expand its co-location partnership with local Phoenix coffee roaster, *Press*. *Big Lots* will be the first discount chain to partner with *UberEats*. *DoorDash* will expand alcohol delivery into New Jersey. *Hormel's Jennie-O* broke the *Guinness World Record* by donating 15K turkeys in 24 hours. *McConnell's* created alt-dairy holiday ice cream flavors for *Whole Foods*. *Thor's Skyr* & *Blended* will open robotic smoothie kiosks. In Canada, *Kellogg's Fruit Loops* is getting the *Bud Lite* treatment for offending many of its customers. *JBS* will invest \$62M to reopen & expand its largest beef plant in Latin America. German sugar refiner *Nordzucker* will invest €100M in plant-based proteins. *MicroHarvest* opened a pilot plant for production of its single-cell protein made through microbial fermentation. Restaurant drive-thru automation company *Presto* will lay off 17% of its global workforce. *Patagonia Provisions* launched a project to brew beer with kernza. Australia's *Zespri* launched a \$2M fund supporting projects solving issues in the production & delivery of kiwifruits. *Compass Group* filed a complaint against *Cargill*, *JBS*, *Swift Beef*, *National Beef Packing* & *Tyson* alleging that the companies limited the supply of meat & fixed prices in the beef market. Germany will investigate *Coca-Cola's* pricing practices. Congress will review the REAL Meat Act requiring imitation meat to be properly labeled. Italy has banned the production & marketing of cell-based meat. *AB InBev's* CMO will resign after the ruinous *Bud Lite* marketing campaign. *Post Holdings* CEO Robert V. Vitale will take a temporary medical leave with COO Jeff A. Zadoks taking interim control. Kevin Murphy has been moved up to be new CEO *Publix*.

From *Insider Intelligence*, *Walmart* will continue to widen its online grocery share over *Amazon* in 2024, From a *Popmenu* consumer survey, 32% of consumers plan to order takeout or delivery for Thanksgiving dinner this year, while 17% plan to dine at a restaurant. From *Green Giant*, 50% of consumers plan to attend a Friendsgiving, citing friends as more fun than family! Per the *FMI/NIQ Transparency Trends 2023* report, grocery shoppers valuing transparency rose from 69% in 2018 to 76% in 2023. From *Technomic*, growth for the total foodservice market will stabilize in 2024, with consumers returning to restaurants & reducing delivery. *Restaurants Canada* says 51% of restaurants are operating at a loss or barely breaking even, compared to just 12% before the draconian & unnecessary government lockdowns. From *Rabobank*, North America is experiencing higher beef prices & low supplies while South America the opposite. Ivory Coast cocoa production is down 25%.

**MARKET NEWS:** Markets were higher again this week with little news in a shortened holiday trading week.

**SEEDS, SPROUTS, GROW, HARVEST!**

THE LITCHFIELD FUND – *Tom Malenka*

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