



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



WHEN WE HEAR THE WORDS, "CIVIL RIGHTS," our thoughts naturally lead us to think of the brave men & women who stood up & spoke loudly for freedom. In these pages we have often quoted King, Douglass, Du Bois, Gandhi & Mandela. These men's words do not apply to any particular race, creed, religion or ethnicity; they apply to all people; they spoke for all people of character who valued freedom & liberty. Here in these United States, every legally born or naturalized citizen is both blessed & enjoys the protection of one of the greatest documents ever written by human hand. We all, each & every one of us, are protected from government overreach by our civil rights.

CIVIL RIGHTS: As Thomas Jefferson forged the most consequential document in human history, the Founding Fathers debated what should be included in the parchment - at times debating even the choice of words. Jefferson wanted words like atrocity & tyrant to be in the document. But after debate within the Congress, any reference to atrocities was replaced by injuries & usurpations & King George was indirectly & passively referred to as a tyrant: "A Prince whose character is thus marked by every act which may define a Tyrant, is unfit to be the ruler of a free people." Of course, not all the men in the debate fully believed that America was predestined to be independent & that these 13 upstart colonies were ready "To assume among the powers of the earth, the separate & equal station to which the Laws of Nature & of Nature's God entitle them;" so they were hedging their bet! Among the grievances that Jefferson laid before the nations of the world were several that described Britain's abuse of the colonists' civil rights. Colonists were not allowed to set up a process to elect or appoint judges. Judges & magistrates were appointed by the Crown, they were beholden to the Crown for their position & pay & therefore they were willing to apply justice as the Crown demanded. Colonists could be arrested & held without bail or even being charged with a crime. Soldiers could break into homes to seize assets or evidence. Soldiers were not tried for killing colonists, & if they were, it was in a mock trial with a predetermined outcome. Often, the judges were given the power to refuse a trial by jury or the colonists stood before juries of only men loyal to the crown. Worse, colonists could be transported to England & tried there for crimes committed in the colonies. So great & impactful were these atrocities, that 13 years later, as the colonists formed the Constitution of this Great Nation, they created the *Bill of Rights* to protect each legal citizen's civil rights. The Founding Fathers took great care in drafting the *Bill of Rights*, to assure every American due process. They made adoption of the Constitution dependent upon passing the ten amendments of the *Bill of Rights*. If one is willing to read past the headlines of any legitimate, reliable (*interpretation: honest*) news source, despite the care the Founding Fathers took in protecting our civil rights, these rights have been routinely violated, often in high profile court cases. The 4th Amendment protects our right to privacy, against unwarranted search & seizure. Yet, the government used bogus warrants based on a fake dossier to spy on political opponents & launch an 8-year long vendetta. In this vendetta they made up other reasons for warrants to search private residences for classified documents & seize people they felt were *enemies of the state*. The 5th & 6th Amendments, while short in nature, cover a great deal of territory. A crime must have been committed, there must be a victim, the accused must see the evidence before it is presented against them, they must be allowed to face their accuser & present witnesses on their behalf. They must be tried before an impartial judge & jury, who must reach a unanimous verdict! Recently, we saw an important, high-profile defendant whose civil rights were violated many times in just one single case! There was no crime or victim, no one was hurt. Evidence was withheld from the defendant; witnesses for the defense were not allowed to take the stand. The judge was biased, with actual evidence of his contempt for the defendant. The jury was a "home crowd," selected from a pool of the population that was close to 100% against the defendant. The jury was given a choice of crimes to pick from & told they did not have to be unanimous. In this case, the judge also violated the 1st Amendment, violating the defendant's *Freedom of Speech*, by instituting a gag order! Also, the 8th Amendment was violated, which prohibits cruel & unusual punishment & excessive fines. The judge issued a fine so large to cause the defendant to sell assets at a loss & not have the capital to pay for appeals, a clear violation of the defendant's civil rights. About 80 years after the Constitution & the *Bill of Rights* were adopted, our lawmakers went one step farther to protect our civil rights, with the adoption of the 14th Amendment. This amendment provides for equal protection & application under the law. (I like to refer to this amendment as the 'what's good for the goose is good for the gander' amendment.) The 14th Amendment has been violated several times in the past few years. Equal application means if two people commit the same crime, they both must be charged, tried & sentenced the same way. For example, if one person is charged with improperly holding & storing confidential documents, every person doing the same must be charged. If a person is arrested for rioting in one city against that city's laws, every person who rioted (burned & looted) in any city with that law needs to be arrested. But equal protection extends beyond committing the same crime. Let's say there is a law on the books that shoplifting is a crime, but shoplifters are not arrested; or someone enters our country illegally & is not arrested; or a state has a law that requires votes to be received & counted by midnight on the day of the election, but the state violates that law to keep counting late arrivals. These are violations of the civil rights of every citizen & every state who followed the law. The 14th Amendment in part protects us from *ipso facto laws*, that is, making a new law, then charging someone who did that activity when it was not a crime. It also provides protection from being charged with a crime beyond the statute of limitations or charging someone with a federal crime in a state court. (Both of these also just happened to that high profile individual.) But equal protection extends even further. Using taxpayer money to pay off student loans (in violation of a Supreme Court ruling) or pay for benefits for illegal border crossers is a violation of the civil rights of every citizen who pays for their own loans & healthcare! The citizen taxpayers are not being treated equally! The civil rights violations we have discussed are based on serving a political agenda - to suppress & oppress those with different political beliefs, beliefs protected by the 1st Amendment & thereby violating Americans' civil rights to hear from & vote for the candidate of their choice. We commonly think of civil rights violations only based on race, gender or religion. This is true, as in the case of a boy winning a girl's track meet or protestors shouting death to a people because of their race or religion. Of course, most people are not aware of any of what is going on; justifiably, they have busy lives & do not have the time, desire or inclination to find the truth, to *get the knowledge of these facts*. Ignorance of the people is what tyrants need to survive. From Robespierre, who knew a thing or two about tyranny, "The secret of freedom lies in educating people, whereas the secret of tyranny is in keeping them ignorant." Our Founding Fathers knew this, for they were among history's most brilliant men. Sam Adams wrote, "It is in the interest of tyrants to reduce the people to ignorance & vice. For they cannot live in any country where virtue & knowledge prevail." In the Declaration of Independence, Jefferson knew he had to lay out the atrocities committed by the tyrant, to educate the colonists & the world by shining a light on the facts. Jefferson's blueprint on how to ensure & protect our civil rights from these despots is simple: "The most effective means of preventing tyranny is to illuminate, as far as practicable, the minds of the people at large, & more especially to give them knowledge of those facts."

INDUSTRY NEWS: *Hero Bread* raised \$21M (\$68.5M raised to date) co-led by *Cleveland Avenue*, *DNS Capital* & *Composite Ventures* with participation from *Greatpoint Ventures*. *Sprecher Brewing Company* took a minority stake in sports drink *O2 Hydration*. RTD cocktail *Nio* raised an undisclosed investment from eCommerce company *The Growth Foundation*. Rob Gronkowski invested in tequila brand *Casa Azul*. TV personality Bear Grylls invested in functional mushroom brand *Dirtea*. In Australia, *Naked Rivals*, an ugly fruit juice, raised \$3M from angel investors. *Sid's Farm*, a D2C dairy brand, raised \$10M co-led by *Omnivore* & *NSFO*. Singapore's *Cellivate Technologies*, cell-meat alternatives, raised \$3.3M with *Antler* & *Rigel-Farro Capital* involved. Slow-baked kibble brand *Notti Pet Food* raised a \$500K seed round from investors *500 Global* & *First Move*. Tom Brady invested in *GoPuff*. In India, 10-minute delivery company *Zepto* raised a \$665M (\$3.6B valuation) co-led by *Glade Brook*, *Nexus* & *StepStone Group* with *Avenir*, *Lightspeed*, *Avra*, *Goodwater*, *Lachy Groom* & *Contrary* involved. *Getir* raised \$250M led by *Mubadala Investment*; *Getir* will split into two companies, one in Turkey & one for all other assets. *The Rise Fund* is leading a \$200M raise for *Foodsmart*, healthy food delivery. Singapore online grocery *RedMart* raised \$23M led by *Garena*, with participation *SoftBank Ventures* & *Visionnaire Ventures*. *Ai Palette*, CPG product development & data platform, raised an additional \$1.45M in an extension round from *InnoVen Capital*. *Kilimo*, water usage monitoring platform, raised \$7.5M led by *Emerald Technology Ventures* with *The Yield Lab Latam*, *Salkantay Ventures*, *Kamay Ventures* & *iThink VC* participating. *Foray Bioscience*, cell-based alt-plant products, raised \$3M led by *ReGen Ventures* with *The Engine Ventures*, *Susquehanna Sustainable Investments*, *Understorey Ventures*, *Superorganism* & others involved. *AgNext Technologies*, food chain transparency, received an investment from *Novo Holdings*. Swarm movement monitoring platform *scoutlabs* raised \$2M from *Interactive Venture Partners*, *SVG Ventures*, *DEPO Ventures* & *Impact Ventures*. PE-firm *Nexus Capital Management* acquired salty snacks maker *Cheeze Kurls* (dba *CK Snack Foods*) from *Kilroy Partners*. *Sweets from the Earth*, plant-based baked goods & desserts, purchased the exclusive Canadian rights to all the dairy-free & vegan offerings of *Tofutti*. *Save Mart* & its *Lucky* & *FoodMaxx* banners were acquired for the second time in two years as the *Jim Pattison Group* purchased the retailer from *Kingswood Capital Management*. *Engleman's Baking*, fresh & frozen bread products, acquired *St. Armands Baking* from *Hyde Park Capital*. PE firm *Stellex Capital Management* acquired family-owned bakery company *J. Skinner Baking*. In Spain, *Idilia Foods* acquired 50% of local dairy beverage business *Cacaolat* from beer giant *Damm*. Canadian food & beverage company *Lassonde Industries* will acquire USA based *Summer Garden Food Manufacturing* for \$235M in cash. *Supreme*, a consumer goods supplier, purchased *Clearly Drinks*, a manufacturer of canned & bottled spring water & drinks, for £15M. *SoundHound AI* will acquire *Allset*, an online ordering platform for pickup orders, & seek to offer a lower cost option to other on-line order, pickup & delivery platforms. Soy seed tech platform *Benson Hill* is rumored to have buyout offers. *AgFunder* will take over investment management of *Blue Horizon's* growth fund. Mexican food chain *Guzman Y Gomez* had Australia's best IPO since 2021 as its share price closed more than 30% above its offer price.

General Mills missed its 4th QTR sales estimates but revenue beat estimates; the stock price dropped on weak sales & forward profit outlook. *Walgreens* beat revenue targets, but adjusted EPS fell 36.6% & the retailer issued warnings on future profits; the pharmacy chain will close thousands of stores. *McCormick* posted a 2nd QTR net income increase of 21%, despite a 1% drop in revenue. *Purely Elizabeth* reported a 56% YOY revenue increase in the 1st QTR. *Kroger* approved a dividend increase of 10%, smaller than the last two years.

The Fresh Market will take over a former *Dom's* location in Chicago. *Amazon* will open its second New Jersey store & 42nd overall. *BJ's* is opening stores in North Carolina & New Jersey. *Grocery Outlet* will move into a former *Dave's Market* space in Cleveland's Cedar-Fairmount district. Discount retailer *Ollie's* opened its first Wisconsin location. *Albertsons* will use *Grubhub* for nationwide grocery delivery. *Save Mart* will offer same-day grocery delivery with *Shipt*. In Kansas City, *Price Chopper* & *McKeever's Market* will expand their use of *Instacart's Caper Carts*. *Publix* will offer virtual wellness care with *WellSync*. *Target* will partner with *Shopify* to offer new brands & products through their digital marketplace. Also, *Target* opened a new distribution center in Hampton, GA. *Conagra Brands* will engage *Microsoft* & *Ernst & Young* to employ AI to drive new efficiencies & capabilities. *Generous Brands*, which bottles *Bolthouse Farms* & *Evolution Fresh*, will add *Sambazon* beverage products. *SunOpta* will invest \$26M to expand its Modesto, CA oat milk production facility. *Organic Valley*, having added 50 farms so far this year, is eyeing a total of 100 for 2024. *Wonder*, modernized, efficient, ghost kitchen & fast casual restaurant & delivery signed a 20-year contract with *FreshRealm*, with plans to open 90 locations. *Hooters* will close 40 locations citing the rising cost of food & rent. *Vital Farms* will build a second egg washing & packing facility in Seymour, IN. Severe fire damage was reported at *Champlain Beef's* New York-based plant. *Ginkgo Bioworks* planned job cuts will reach at least 35% of its workforce; possibly 400 jobs. Using *Placer.ai* data, *dunnhumby* has a new competitor threat evaluator application that analyzes consumer sentiments on price, promotions, assortment & in-store/online store experiences. *Bion Environmental Technologies* will partner with *Stovall Ranching* in Montana to develop a new-generation cattle feeding facility. Equipment manufacturer *CNH* will partner with autonomous farming startup *Bluewhite* to bring *Bluewhite's* technology to its *New Holland* tractors. *Uber Freight* & *Aurora Innovation* are launching *Premier Autonomy* to expand access to their autonomous trucks. *Hormel* will seek to expand their products in c-stores. *WK Kellogg* will partner with cookie retailer *Crumb!* on *Crumb! Chocolatey Chip* cereal. *Uncle Matt's* will debut refrigerated *Organic Real Brewed Teas* in three flavors. Diversifying its cannabis offerings, *Tilray* debuted a nonalcoholic beer, *Runner's High*. Emma Watson will bring her botanical gin brand *Renais*, made from upcycled grapes, to 40 states through eCommerce. Restaurant chain *Health Nut* will bring salad dressings to retail. *Perdue* reaffirmed they will stay the course with no antibiotics for their chickens, while *Tyson*, other large processors & restaurant chains like *Chick-fil-a* are reintroducing antibiotic chicken. The FDA issued a nationwide recall for 140 canned coffee brands & 300 coffee products from a major coffee manufacturer, *Snapchill*, due to potential contamination of a fatal neurotoxin. Maryland-based *Totally Cool* recalled 67 ice cream products from 13 brands including *Jeni's*, *Friendly's*, *Hershey's* & more. Alan Rosen, owner of an *ALL EARS!!* favorite, the famed *Junior's Cheesecake*, is considering running for NYC mayor due to the crime & decay in the city. Denmark will start charging farmers a cow tax to support the pseudoscience narrative. A bill moving through Congress would ban the use of federal funds in various areas related to cultured meat. Seattle's \$26 minimum delivery driver wage has cost local businesses more than \$14M in sales in just three months as demand for delivery services collapses.

From a *Rabobank* report, hosting a 10-person July 4th barbecue will cost \$99, the highest on record, due to this administration's policy-fueled inflation; the *Farm Bureau* reported Fourth of July costs are up 5% YOY. In a survey by *Innova*, consumers are confused about ultra-processed foods, but associate artificial flavors (59%), artificial sweeteners (54%), preservatives (53%), artificial colors (52%) & stabilizers (40%) with UBFs. From *Ajinomoto Health & Nutrition of North America* & *YouGov*, 55% of consumers trust social media over government agencies for health advice but are still unsure if they are following healthy food & diet regimens. From *Lightspeed Commerce*, 51% of consumers plan to continue to eat out despite inflation, 81% dine out at least once a month, 39% dine out once a week or more, 43% use coupons, 39% choose value meals & 36% use happy hour specials. Chilean fruit exports reached record figures in 1st QTR. Mexican avocado & mango imports will restart after being suspended due to security concerns. This could be the driest USA summer since 1983, which means for the last 41 years it has been wetter.

MARKET NEWS: Markets were mixed as the quarter ended, with the S&P & Nasdaq hitting intraday records on Friday. PCE inflation remained constant at 2.6% YOY during May. The USA Treasury Secretary stated consumers are not seeing or feeling the rise in grocery prices. Real personal income rose 26% from 2017 to 2021, but since January 20, 2021, real personal income has fallen 6.5%.

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