



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



THE RECENT PASSING OF COMEDIAN Tommy Smothers brought back memories of our first pet: a cat named Ralphyne. In the *Smothers Brothers* TV sitcom, Tommy was an angel trying to help, but mostly hindered, his still mortal brother Dick. Tommy's boss was Ralph, an unseen & unheard head angel. Ralphyne was the first in a line of pets named for TV or movie characters. My first dog was a puppy named Bogie, then came another puppy we named Maverick, for our favorite TV western. I had a cat, Ilsa, which of course, was named for Ingrid Bergman's character in *Casablanca*. Another possible name I have considered for a pet, but does not come from popular media, was Newton.

SIMPLY NEWTON: When the New Year rolls around, Sir Isaac Newton always comes to mind. This is not the first time we have written an *ALL EARS!!* to honor his birthday ([Figs & Newton, 01/05/19](#)). Newton is among those Great Minds we have frequently quoted in this humble rag, because like all of those whom we quote, his words, thoughts, wisdom & insights remain timeless. Three men have been responsible for giving us an understanding of the world & universe around us, both the seen & unseen. First, there was Aristotle, then Newton & finally Albert Einstein. Most people have a vision of Newton sitting under a tree & an apple plops on his head. He thinks, "Hmmm, gravity!" Actually, Newton built on the work of Galileo, Kepler & others who studied the planets & motion. While he developed his Laws of Motion, he never really developed a thesis on what gravity was or how gravitation worked across the vacuum of space, only looking at its impact on bodies in space & on Earth. He also explored the impacts of his laws of gravitation on the ocean's tides. Admitting he did not understand how gravitational pull was able to work, he was still able to calculate the distances of objects in space (i.e., Earth to Sun); the true shapes, distances & speed of planetary orbits & comet paths; & even the true shape of objects in space. He used the Calculus he invented (sorry, Leibnitz) to solve these problems. Newton is also responsible for developing the first reflecting telescope; the theory of colors & prisms; theories of heat & cooling; the stress & movement of fluids; the speed of sound & many other mathematical & scientific principles commonly used for the basis of both study & practical application today. While Newton was a man of science & refused to take the Holy Orders to be ordained as part of Trinity College, he was not an atheist. He held Christian views & practices & is considered a theologian. He kept many of his non-conforming or heretical views to himself. Newton wrote "Gravity explains the motions of the planets, but it cannot explain who sets the planets in motion." Perhaps to explain that which he could not prove with math or science, & being a seeker of truth ("Plato is my friend, Aristotle is my friend, but my greatest friend is truth."), he willingly admitted that he needed to look elsewhere, "Atheism is so senseless. When I look at the solar system, I see the earth at the right distance from the sun to receive the proper amounts of heat & light. This did not happen by chance." While a Darwinist would disagree, Newton thought, "In the absence of any other proof, the thumb alone would convince me of God's existence." Perhaps because he understood how little man knew & could prove, he sought explanation elsewhere. He wrote, "What we know is a drop, what we don't know is an ocean," & "I know not how I seem to others, but to myself I am but a small child wandering upon the vast shores of knowledge, every now & then finding a small bright pebble to content myself with while the vast ocean of undiscovered truth lay before me." Newton saw a simplicity in nature, which he believed was derived from a higher power; therefore, he felt that truth could be found in simplicity. He wrote, "Nature is pleased with simplicity. And nature is no dummy," & "Truth is ever to be found in the simplicity & not in the multiplicity & confusion of things." Perhaps, despite all of Newton's incredible contribution to the world, we should take this one message - truth comes from simplicity - as our theme for 2024. How do we simplify our lives? We keep close to us those who bring to us love & kindness & do those things that bring us happiness & joy. We rid ourselves of the meaningless burdens caused by situations over which we have no control, instead of thinking there is an answer to everything. We take to heart that we only know a drop of everything. We find pleasure in the pretty pebbles or shiny shells we find in our lives & realize there is so much that we don't know & isn't within our control - but like Newton, despite our doubts, believe the simple answer lies in stronger hands. From Newton, "To explain all... is too difficult a task for any one man." We may discover that the truth, the path to happiness, joy, love, prosperity, is very simple - it lies within our own hearts. It is just a guess, but as Sir Isaac Newton, one of the most brilliant, rational & logical men who ever lived, wrote, "No great discovery was ever made without a bold guess."

INDUSTRY NEWS: *Mezcla*, quinoa-based nutrition bars, raised a \$4M Series A led by *Dream Ventures* & *Santatera Capital*. Global quick-service açai brand *OAKBERRY* raised a \$67M Series C led by *BTG Pactual*. *Spore.Bio*, food safety technology, raised \$8M in a pre-seed round led by London-based *LocalGlobe VC* to bring its technology to the USA. *TDK Ventures* & *British International*

Investment invested \$12M in a series A round for agri-tech innovator *Fasal*. *The Invasive Species Corporation*, platform to control invasive species such as zebra mollusks, raised \$2.5M from *Silverstrand Capital*. The Japanese government awarded \$19.6M to alt-protein companies, *Umami United & IntegriCulture*. *Multus*, a UK growth media innovator for cultivated meat & London-based *New Wave Biotech*, AI bioprocess tech, are merging with the goal to lower the costs of cultivated meat using AI. *SYSTEM Foods* acquired *Humm Kombucha*; terms not disclosed. Private equity company *Platinum Equity* will acquire *Horizon Organic & Wallaby* from *Danone*. *Marfrig Global Foods* is now the majority shareholder of *BRF* after it increased its equity interest in the company to more than 50%. *AUA Private Equity Partners* acquired *Weaver*, popcorn & snacks; terms not disclosed. *Swander Pace Capital* partnered with *CDPQ & Roynat Equity Partners* to acquire a majority stake in *St-Méthode Bakery*, a supplier of fresh bread products. *New Horizons Baking* acquired Columbus, OH, *Graffiti Foods*, producer of highly customized, liquid blend solutions for chain restaurants; terms not disclosed. *Johnsonville* acquired its longstanding co-packer *Salm Partners* from *Entrepreneurial Equity Partners*; financial details not disclosed. *Rainforest Distribution* acquired New Hampshire-based natural foods distributor *Associated Buyers*. *Cal-Maine Foods* acquired the former *Tyson Foods* broiler processing plant, hatchery & feed mill in Dexter, MO. Chicken processor *Brakebush* acquired *Lake Foods* in Georgia, its fifth facility. *ADM* acquired *PT Trouw Nutrition Indonesia*, sustainable solution for livestock nutrition. *TGIFridays* sold 8 locations & closed 36 more as of the first of the year. *Flying Fish Brewing*, one of New Jersey's original craft breweries, filed for bankruptcy after its *Cape May Brewing* acquisition deal fell through. *Forward Consumer Partners* closed its first fund at \$425M.

Cal-Maine missed targets in its 2nd QTR, the stock price fell. *Conagra* had a down 2nd QTR as the transitory consumer changes management expected have stayed more constant. After a 1st QTR revenue increase in revenue but an expanded operating loss, *Walgreens* dropped its quarterly dividend by almost 50%.

Aldi closed 2023 with 4 new stores in Florida, Pennsylvania, New Jersey & Arkansas. *Foxtrot* opened a new store in Washington DC, its 33rd nationwide. *New Fresh by Brookshire's Store*, the retailer's NewGen banner, received approval for a 3rd store, this one in Longview, TX. *Amazon* ended its *Fresh* pickup experiment at its previously closed store locations; *Walmart* did the same. *Family Dollar* will expand its offering of cage-free eggs to hundreds of more stores as competitor *Dollar General* pulls back. *Carrefour* will stop selling certain products due to unchecked price increases, including *Pepsi*, *Lay's* chips & *7up*. *Uncle Sharkii Poke Bar* will open additional locations inside *Walmart* stores. *Kraft Heinz & Taco Bell* will partner on meal kits to be sold at *Walmart*. *ALDI* will begin working with *One Network Enterprises'* AI-based supply & logistics platform. The *Independent Grocers Alliance (IGA)* launched a new *Family Meals Made Easy* recipe platform powered by *Grocery Shopii*. *UNFI* will bring natural, organic & conventional products to all selling shows, a shift from its previous strategy. *Stanz-Troyer*, a foodservice distribution holding company in Indiana, will now operate under a new unified brand named *Raydia Food Group*. *Cargill*, *JBS*, *Tyson Foods* & *National Beef Packing* are once again subject to antitrust lawsuits accusing the companies of conspiring to fix beef prices; several retailers filed a complaint at year end. *WK Kellogg* will launch a new cereal brand, *Eat Your Mouth Off*, vegan cereal puffs targeting younger adults. *Blue Diamond Growers* will launch a new oat & almond based milk. Israel's *Steakholder Foods* crafted a 3-D printed eel replicating texture & taste for all you eel lovers. *PepsiCo* will build a snack plant in Vietnam to supply more than 23k tonnes of snacks per year to markets in Vietnam & Cambodia. Germany is seeing farmer protests as their government joins The Netherlands in attacking farmers with ridiculous mandates in support of a false & unproven narrative. New York & Seattle minimum wage laws will put delivery drivers at pay at \$18/hour with planned increases to \$30/hour, seriously impacting business. Prop 12, impacting pork producers, went into effect January 1.

From *Mastercard SpendingPulse*, USA retail sales rose 3.1% this holiday season over last year. Results from the *Portman Group* show low/no-alcohol alternatives have increased substantially in the past year; rising to 44% from 31% for 18–24-year-olds. Once again, the Mediterranean diet ranked highest on *The US News & World Report* survey. *Euromonitor International* predicts online grocery will be the largest source of growth for food in the USA. The monthly *GuestXM* restaurant report from *Black Box Intelligence* for November showed a second consecutive month of traffic increases for restaurants. UK grocery price inflation has 'slowed' to 6.7%. In the final week of 2023, wheat, corn & soy futures prices all were well below the previous year end. Desert ice & cold will impact the Arizona & California lettuce harvest.

MARKET NEWS: Markets were down for the week. The jobs report showed a higher-than-expected increase, perhaps impacting the Fed's desire for a soft landing. The national debt rose \$1T in just 15 weeks as the government spends like drunken sailors, an insult to drunken sailors everywhere. Every child born in America now gets the burden of more than \$100K of debt & each taxpayer accounts for \$265K of the national debt. Banks are holding the bag as commercial real estate is facing debt repayments or refinancing of more than \$120B in 2024.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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