ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"Our Ears Span All Fields"

In the taxonomic hierarchy, humans are of the class Mammalia. We mammals have much in common. Mammals are all warm blooded & have sweat glands to maintain temperature. We all have hair or fur. Mammals have a four-chambered heart, three middle ear bones, a diaphragm for breathing & specialized teeth for chewing. And we mammals all have a well-developed neocortex for reasoning – *no birdbrains here!* All mammals, except those *caught-in-a-time-warp* platypuses & echidnas who still lay eggs *(C'mon, get on the team!),* have live births & produce milk to nurse. And all mammals, except for the sloth who can exhale excess gas, like it or not, fart! *Brrrppppttt!!!*

Brrrppppttt!!! My Nono & my Uncle Jim, through 50 years of raising families & vegetables next to each other, were great friends. The families were intermarried twice; they shared grandchildren & godchildren. The two men were always willing to share a jug of homemade wine. They were also great rivals, especially when it came to their vegetables! They vied for everything, especially tomatoes: the tallest tomato plant, the first fruit, the last, the biggest, the most fruit on a plant, the reddest, the plumpest & more. The rivalry extended to the squash, pumpkins, beans & onions. Uncle Jim would tell me my Nono was a crappy farmer. Nono would tell me Jim was a bullshitter (he was) & cheated at morra & briscola (he did)! They also vied for my time & my help with the chores & vegetables. I would run to the shanties at the top of the hill to fetch a tool or fill a water can from the rain barrel. I would hold the rags they used to tie up the tomato plants, ready to hand them the next one. But one of the earliest tasks I remember was Nono handing me a coal bucket & telling me to run up to the pile of 'dirt' behind the shanties & fill the bucket for him. I thought it was great to be carrying a coal bucket, just like he & my Dad did as coal miners! So I would speed up the hill, fill the bucket & then carefully lug it with two hands back down the hill. Nono would dump the dirt between the plants, begin to spread it around & I would take off to fill the bucket again! With each trip I got dirtier & smellier, because of course, the dirt wasn't dirt, it was cow manure. (My mom would be mad, because the house had no shower or tub. I had to be scrubbed down by hand!) There are more than 6600 species of mammals. The mammal population, including humans, is over 137B! Only 1.5B of those mammals are bovine, that is cattle, about 1.1%! Somehow, we were supposed to believe cow farts were going to destroy the world. Do the math! If every mammal farted once a day, every cow would have to fart more than 90 times a day just to be 50% of the fart problem! (And I am willing to admit, here in front of the world or at least my readership, I fart more than once a day! *Brrrppppttt!!!)* And cow dads & cow granddads aren't saying to their offspring, *"Pull my hoof!"* Today, beef demand is soaring beyond record heights & prices are rising, all because governments around the world & previous Non-Trump Administrations did everything they could to limit beef production. Do you think those electronic geofencing ear tags were made so ranchers could track their cows? Those little electronic tags help governments track how many cows a rancher has, preparing for when they want to cull the herds! Do you think slowing the production lines was for safety reasons? Slower processing speeds mean less cows were needed in the herds! And of course, beef is supposed to be bad for you! Yet, look at the progress humans have made in the 15,000 years since Thuk & his friends put the first Mastodon ribs on charcoal with a bit of garlic & pepper, waiting for someone in Memphis (Egypt) to come up with the first dry barbecue rub! Humans have grown bigger & stronger because of ribeye & Porterhouse! While no food should be eaten every day (except for broccoli… watch out, that might make you fart! *Brrrppppttt!!!*), beef has a much more complete nutrient set than most foods! So the climate crazies, who insisted wind & solar power & electric cars would save the world (they made for more expensive energy & raised prices on everything); the ice caps were going to melt (there is more ice now); the hole in the ozone was getting bigger (it's practically gone); & we were required to accept illegal aliens because their countries were too hot to live (no, they just came here for the free stuff, to commit crimes without repercussions & to expand their cultures) insisted we eat plant-based faux meat! Once upon a time we called them veggie burgers – black beans, legumes, grains, lentils, celery, carrot, oats, flour & egg – carefully crafted into a paddy by some girl with flowers in her hair named Sunshine Moon Autumn! Now we have faux meat made in a factory, sometimes from plants & sometimes from a bit of DNA that is allowed to roam free-range in a lab! Ferment, add something for coloring, a bit of faux fat from another fermenter for marbling, something to mimic the juiciness of rare sirloin, then add hemoglobins, acetone & maybe formaldehyde & you have steak – 3D printed, screen printed & tie died! Take a couple more spins in the fermenter & you will get a *Burken* purse or a grocery bag that says "*Thank you for shopping here & saving the planet! This bag will self-destruct before you get your milk home. And tell me why you are buying milk from cows anyway, you bad evil person? You must be MAGA!"* We also have faux seafood & some bright person even came up with faux caviar! "*Hey Honey, the Prince & Princess of Wales are stopping by for dinner tonight! Let's pull the faux Beluga roe from the freezer & open a box of Triscuits!"* Every week, faux meat companies, whether plant-based, cell-cultured or fermented, are closing up shop! Billions of investment dollars have done nothing but pay extraordinary salaries & produce some interesting, experimental technology. Public faux meat companies have a fraction of the market cap they did just 6 or 7 years ago. If this appears bad now, imagine what will happen when someone finally takes a look at these faux meats from an Ultra Processed Food & *Make America Healthy Again* perspective! Why would I eat a steak produced in a factory or lab instead of from an all-natural, grass-fed & finished, free roaming in the sunshine, healthy steer which my ancestors have happily smoked, grilled, roasted & barbecued for more than10,000 years? Investors have also lost money on solar & wind technology; private investment for these dried up years ago. The climate hoax was about two things: Indoctrinating young minds with the threat of existential death & despair so they would view big government as the solution; & channeling taxpayer money to crooked & worthless non-government offices to supply kickbacks to Democrat politicians to keep the cycle of corruption & power going. Meanwhile, the climate alarmists fly around in their private jets, wasting fuel & creating pollution; then fail to object to the clearing of thousands of acres of rainforest in Brazil to create the road to last week's climate summit. It's a giant hoax (which most of us have known for a long time) & more people are finally seeing the truth. So maybe it's time for the food & beverage industry to call only meat meat, only dairy dairy & only milk milk. Let's all make the assumption that orange juice, coffee & peanut butter are plant-based! (If there is something else in these foods then please let RFK, Jr. know!) And if you make a plant-based edible whatever, call it a plant-based edible whatever, because it isn't meat, dairy or milk, unless you miraculously find an almond with an udder! Let's free all the captured carbon from all those captured carbon prisons you see lining the highway & find new jobs for all those methane measurers standing in the fields sniffing! And let's face it, being a mathematics major & approaching this logically, if a cow eats nothing but grass & grain, isn't a nice juicy, medium rare New York strip steak plant-based? Prove me wrong! *Brrrppppttt!!!*

Industry News: *Aplos*, non-alc spirits, raised $5M from undisclosed investors. *Freestyle Snacks*, olives & pickles, achieved a deal on Shark Tank. In Denmark, *Chromologics*, fermented natural colors, raised €7M from *Novo Holdings, EIFO, Döhler Ventures, Collateral Good Ventures* & *Synergetic*. Dutch online supermarket *Picnic* raised €430M from its existing shareholders for expansion. In India, *Tractor Junction,* an app enabling farmers to research, buy, sell, finance & ensure tractors & commercial vehicles, raised $22.6M led by *Astanor* & included $5.6M in debt; *InfoEdge Ventures* & *Omnivore* participated. In the Netherlands, *AKA Foods* raised $17.2M for AI platforms that enables food companies to create, optimize & launch products much faster, smarter & more affordably. *Biocentis* raised $19M for genetic insect control technology. *Keychain* raised another $10M, after a $30M raise in August from *W23 Global*, a venture capital fund backed by major grocery retailers including *Tesco, Ahold Delhaize* & *Woolworths Group*; the raise is designated for the rollout of *Keychain360* solution for private label brand management. Perelel, women's supplements, raised $27M led by *Prelude Growth* with *Unilever Ventures, Willow Growth Partners* & *Selva Ventures* involved. *Rouses Markets* will acquire 10 grocery store locations in Louisiana & Mississippi from *Southeastern Grocers* now *Winn-Dixie*. *Burlington Capital* & *Fearless Innovative Food* formed a strategic partnership to acquire & expand *Kemper Foods International*, a manufacturer of frozen, handheld foods. *Rastelli's Food Group*, meat & food products, acquired the *Botto's Genuine Italian Sausage* brand. *JBS*'s *Mantiqueira*, Brazil-based supplier, will acquire *Hickman's Egg Ranch* after the farm lost the majority of its flock to bird flu. At *JBS Australia*, *Andrews Meat Industries,* a family-managed subsidiary, acquired Queensland-based foodservice wholesaler *Prime Cut Meats. GrubMarket* completed the acquisition of *Procurant*, tech that streamlines fresh produce procurement, order management & regulatory compliance. Ingredient supplier *Nexture* agreed to acquire *Frulact*, a Portugal-based producer of fruit preparations for dairy, ice cream, desserts & beverages. In the UK, *The Compleat Food Group* added to its dairy-free portfolio by acquiring vegan cheese maker *Julienne Bruno* that was in administration. *Paine Schwartz Partners* has formed *BetterCo Holdings* to aggregate its investments in high-growth BFY companies; the first two holdings are *Crisp* & *Lucky Energy*. *Senus* acquired fellow soil intelligence company *Loamin.* In the UK, *Asda* will sell 24 stores & a distribution center & lease them back to raise £568M as sales fall & debt rises. In Denmark, *PlanetDairy,* hybrid cheese, milk & other products combining dairy & plant-based ingredients, acquired selected equipment & tech IP from defunct faux-cheese brand *Stockeld Dreamery. Monarch Tractor*, autonomous electric tractors, may need to lay off more than 100 employees or possibly shut down, according to information obtained *by TechCrunch. Tindle Foods* (formerly *Next Gen Foods*) will divest its USA business & will produceprivate label, plant-based products only for the European market. *Conagra* is considering selling *Ardent Mills. AB InBev* is rumored to be in talks to buy party punch *BeatBox* for $700M. *Suja* will look to file for an IPO. *Prosperity Organic Foods,* the parent company of *Melt Organics*, will acquire *Miyoko's Creamery* out of liquidation. *Monogram Capital* secured $350M for its third fund.

Walmart will move its stock listing to the tech focused Nasdaq as the retailer blew past 3rd QTR targets, posting a 4.5% gain in same-store sales & raising guidance; grocery & eCommerce drove results. *Target* posted a 3rd QTR sales decline & cut the top end of its full-year earnings guidance; Target will partner with *OpenAI* for eCommerce, added to its store opening & remodel capital expenditure & upheld its 4th QTR holiday sales projections. At Canada's *Metro*, consumers seeking discounts drove increases in 4th QTR sales & adjusted earnings. At *J&J Snacks*, 4th QTR net income was down 62% & sales were down 4%, ending a down year; the company will look to cost savings & efficiencies. *Bellring Brands* had a beat on 4th QTR sales but earnings missed projections.

Two new *Whole Foods Market Daily Shops* will open before the end of the year; one in Brooklyn & one in Hoboken, NJ. *Costco* opened its eighth Canadian *Business Center* in New Westminster. *Target* opened a large-format store in South Riding, VA, which includes a *CVS* pharmacy, a *Starbucks Cafe*, an *Apple,* a *Disney* store & 60% more grocery area. *Target* added a feature to its eCommerce app allowing customers to scan their handwritten lists & add the items into their carts. *Kroger* will close three automated eCommerce fulfillment centers, exiting Florida, to improve profitability by $400M; the grocer will use more in-store fulfillment & expand ties with third-party eCommerce partners, incurring a $2.6B impairment charge in 3rd QTR to make these changes. *Coborn's* will add eateries run by prominent local dining entrepreneurs in a grocery store it is developing outside Minneapolis. *General Mills* will add Kernza to four *Cascadian Farm* cereals, including *Honey Oat Crunch*, *Honey Oat Crunch with Almonds, Raisin Bran* & *Hearty Morning Fiber*. *Monster* will try to match *Alani Nu's* success with a sugar free female-focused energy drink with functional ingredients supporting skin & hair health; *Flrt* will debut in 2026. *Danone* launched *Silk* with protein to help reignite interest in its plant-based dairy brand. *True Story Foods* launched its first grab & go snack, ham & turkey sticks & frozen sausages. *Bimbo* will add *Cheesecake Factory* slider buns to its product line. *Huer Foods* will partner with *McCormick & Co*. to launch *Spicy Gummy Bears* featuring *McCormick*'s *Frank's RedHot*. *Maple Leaf* launched *Maple Leaf Mighty Protein Chicken Sticks* in three flavor varieties. *Eat Just*'s faux chicken will launch nationwide at 3,000 *Walmart* stores. *Barry Callebaut* will use *NotCo*'s AI to develop chocolate recipes. *Barry Callebaut* opened a manufacturing facility in Brantford, ONT that features production lines for liquid molding, liquid chocolate and industrial molding through an investment of $104M. *PepsiCo* is testing a combined snack & beverage warehouse in Texas to see if it produces cost efficiencies before a nationwide expansion. *Barilla* opened a new $25M, 150K sq. ft. innovation center in Parma (Italy, not Ohio) called the *Barilla Innovation & Technology Experience (BITE)*. *Lineage* is building a new automated cold storage facility in the Dallas Metroplex that won't be ready until late 2027. *Star of the West Milling* will close its flour mill in Quincy, MI, due to weak demand & age of the facility. *BUILT* opened a second bar manufacturing & distribution facility in Utah. *Formosa Food*, a manufacturer of traditional Taiwanese style shredded dried pork, jerky, sausage & cuttlefish for retail, will invest $24M in a new production plant & headquarters. *Starship Technologies* & *Uber Technologies* will partner to roll-out autonomous sidewalk robot delivery across Europe with USA expansion planned for 2027. Israel's *DailyRobotics* is ready with a robotic harvester it claims can pick strawberries two to three times faster than humans. *Panera* will revise its menu & focus on value & service to revive sales. *Chefs' Warehouse* selected *RELEX Solutions* to optimize forecasting & replenishment across its 49 distribution centers. *ByHeart* infant formula was recalled by the FDA due to the possibility of botulism. A *Kroger* produce buyer took $147K in kickbacks from Oregon produce suppliers. Greg Koehrsen will be promoted to president of *Bimbo USA*, succeeding retiring Tony Gavin. *National Co+op Grocers* named Tandy Harvey, a former *UNFI* & *SuperValu* executive, as CEO.

From the *American Farm Bureau Federation,* the cost of a classic Thanksgiving holiday feast this year, under our new President who is working hard to lower costs for Americans, is $5.52 down 5% from 2024. Per *Circana*, the Democrat led government shutdown had little impact on grocery sales. Research from *Profitero+* found that Amazon consistently delivered the lowest prices across 16 product categories. From *Food Health Co*. & *NielsenIQ*, after studying 200B grocery purchases & 70K USA households, showed what we knew, American do not buy nutritional food. A survey by *YouGov* revealed that 37% of consumers say they are dining out less frequently than in 2024 with 69% citing cost as the reason. From *Circana*, 23% of USA households have someone using GLP-1 medications, up 16% YOY. Sugar prices are falling amid oversupply & weak demand. Rain is delaying harvests in the Arizona & California growing regions. The corn & soybean harvests are nearly complete for the season. And BTW, from *The Meat Institute*, the meat & poultry processing industry contributes $57.3B to the USA economy & provides 584,000 jobs; the entire meat industry, which includes livestock production, animal feed, equipment manufacturing, transportation & more contributes $347.7B in value to the nation, supporting 3.2M jobs.

Market News: Markets continued downward as *Nvidia*'s earnings beat & future upbeat guidance failed to end fears of an AI bubble. A strong September jobs report, which may or may not be credible, brought fear that the Fed would consider a rate hike in December. While the President brought in new investment commitments through additional trade deals with Saudi Arabia, several Democrat Congress members were committing treason by creating a video calling for military members to refuse to obey orders! The President met with the sociofascist mayor-elect of New York while millions of New Yorkers were calling Florida real estate agents or rewatching Kurt Russell, Lee van Cleef & Earnest Borgnine in John Carpenter's *Escape From New York* to learn how to do it! Meanwhile, almost 100 Democrat voted no & about 30 voted present on a House resolution denouncing socialism!

***Seeds*, *Sprouts*, *Grow*, Harvest!**
The Litchfield Fund – *Tom Malengo*
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