



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**SUMMER, 1967.** 100K young people, heeding Timothy Leary's mantra "*Tune in, turn on, drop out,*" descended upon San Francisco's Haight-Ashbury district. This *Summer of Love* hippie movement was about music, hallucinogenic drugs & free love. It quickly spread to major cities across the USA. With songs like the *Beatles' Love Is All You Need* & Jackie DeShannon's *What the World Needs Now is Love*, the hippies believed that love could save the world. I am proof that the *Eagle's* belief that a *Sweet Love* can save you from a life of loneliness & despair; but love in & of itself won't save the world. Today, America & the world need, & are holding out, for a Bonnie Tyler style hero - a savior!

**OF HEROES AND SAVIORS:** In the movies, despite a multitude of dangers, the hero, bloodied, broken & scarred, survives. He or she returns for a joyous reunion with their loved ones & receives the praise & accolades to which they are due. But sadly, in real life, this is not always the case. Sometimes, our military & first responder heroes give their last ounce of courage. Beyond those who answer the call of duty & decide to commit their lives to serve & protect, history is filled with heroes who have been persecuted. In ancient Athens, the philosopher Socrates was charged with impiety & corrupting the youth. Athens, having lost a recent war to Sparta, consolidated its rule under the Thirty Tyrants. Power bounced back & forth between this oligarchy & those who sought to return Athens to its previous democracy; each side took revenge on the other as power shifted back & forth. Socrates was trapped in the midst of this political & religious turmoil. Finally, in 399 BC, Socrates; the Father of Western Philosophy & rational exploration & methods (as well as the teacher of Plato who in turn was the teacher of Aristotle who gave us the basis of all knowledge across every discipline for the next 2,000 years), was put to death by drinking hemlock. Historical heroes seem to arise during political & religious unrest. This should give us all some hope & faith today. In 1346, during the 100 Years War, England's Edward III laid siege on the French city of Calais. Philip VI of France demanded that Calais be held at all cost. But soon starvation & disease took hold, forcing the city's leaders to ask for the terms of surrender. Edward wanted six of the town leaders to present him with the keys to city with nooses hung around their necks. To save the city, six burghers (led by the wealthy Eustache de Saint Pierre) left the city as requested, presumably to be executed. History suggests England's Queen Philippa convinced her husband to show mercy for these men's noble & courageous act. In the same war, some 83 years later, Joan of Arc rose to lead the French army against the English. But at this time, more than war was at hand for the French. Joan supported Charles VII as the French monarch. But his father, Charles VI, had disinherited him & named Henry V of England as his successor. Charles VII found himself at war with various French factions who had their own thoughts on the monarchy. The 17-year-old Joan broke the siege at Orléans & pursued the English troops. At the siege of Compiègne she was captured by the Burgundians, French allies of the English. She was turned over to the English; charged with heresy for claiming Divine Guidance & at age 19, burned at the stake. But her victories consolidated support for Charles, saving France & ending English claims to the French throne. Heroes arise from strife, unrest, turmoil & change: Galileo, Bonhoeffer, Gandhi, Mandela, MLK. Abraham Lincoln, a wartime President who only sought peace, fought to save American freedom & democracy - the last, best hope for a free, safe world - was assassinated. Many of us have seen the power of prayer & believe that faith can move mountains. We may have faith in the awesome power of God's love; a love so strong that he sent his only begotten Son to Earth to save the unworthy & wretched souls of humanity with His Amazing Grace. A Son who was persecuted, betrayed, tried & executed like so many other heroes. And while prayer, faith, hope & love are necessary for the survival of the body, spirit & soul, it would be short-sighted for anyone to close their doors & windows to what is happening in the world. This Holy Week, we find America & the world in turmoil & strife: war; crime; media, medical, government & academic misinformation; corrupt leaders attacking our freedoms; a decaying economy; an invasion at our borders; crumbling communities; degenerating family values. Now, more than ever, America & the world need an Earthly hero. We may ask, "*Where are all the good men, where are all the gods?*" What we need is a *streetwise Hercules, fresh from the fight* & ready for a bigger fight; someone who is *larger than life*, able to fight what seems to be *rising & insurmountable odds*. We may be standing *here in the midst of the storm, the wind, the chill, the rain, the flood; but someone, somewhere is watching us*. Watching to see what we will do - as individuals, as a community, as a Nation, as a member of a free world. American laureate Bob Dylan said, "*A hero is someone who understands the degree of responsibility that comes with his freedom.*" Yes, we are holding out for a hero; but each of us should be thinking right now about the Nation & world we want, & the heroic role we can play to bring it about, to save the world & maybe even our wretched souls. From novelist & philosopher Ayn Rand, "*Do not let your fire go out. Do not let the Hero in your soul perish. Check your road & the nature of your battle. The world you desire can be won. It exists, it is real, it is possible, it is yours.*" Yes, it is difficult to be a hero, as heavyweight champ George Foreman points out, "*Heroes have a rough time because they stand up when they ought not to, they speak when they ought not to.*" And while we hold out for the hero we need; to save our world, our nation & our souls; we can each do what we need to do to bring about the world we want, despite the difficulty, by remembering these words from Medal of Honor winner, Sgt. Alvin York, "*The fear of God makes a hero; the fear of man makes a coward.*"

**INDUSTRY NEWS:** *Culture Pop Soda* raised \$21M led by *Enlighten Hospitality* with additional investment from Howard Schultz. Plant-based protein *ALOHA* raised \$68M from *SEMCA Food & Nutrition*. *GNGR Labs* secured an undisclosed seven-figure investment led by *Gather Ventures*, with *Bochi Investments* participating. Baby food maker *Amara* secured \$20M led by *HumanCo Investments*, with *Melitas Venture*

*Capital & Touch Capital* involved. Baby product company *Lalo* secured an investment from *Comcast's Forecast Labs*. Non-alcoholic beverage *Best Day Brewing* raised \$10M from undisclosed investors. *Innocent Meat*, cell-based meat solution, raised €3M from *Venture Capital Fonds MV* & others to support processing development. *Proxy Foods* raised \$2.3M for its AI food & beverage recipe formulation platform. Food hall business *Wonder* secured \$700M from existing shareholders *NEA, GV, Accel, Bain Capital Ventures, Forerunner, Alpine* & new investors. *Orchard Robotics* raised \$3.8M led by *General Catalyst* for its robotic AI precision crop management solution. *Fieldwork Robotics* secured £600K in British government grant to advance its AgTech robotics. Canada's *Poseidon Ocean Systems*, aquaculture industry solutions, raised \$20.75M led by *Ecosystem Integrity Fund* with *InBC Investment Corp. & Export Development Canada* involved. *Lactalis* acquired *Sequeira & Sequeira*, maker of *Paiva* cheese; terms not disclosed. Washington's *CMI Orchards* acquired *Starr Ranch*, adding to their cherry output. In Brazil, seafood companies *Frescatto Company & Prime Seafood* merged. *Sazerac (Fireball Cinnamon Whisky, Buffalo Trace Bourbon, etc.)* will buy RTD canned cocktail maker *BuzzBallz* for an undisclosed amount. *AgroFresh Solutions* acquired fellow post-harvest solution provider *Pace International*. *Ever.Ag* advanced its dairy data analysis service with the strategic acquisition of Australia-based *Freshagenda*. *FabFitFun*, a membership-based e-commerce business, acquired *Petco's* subscription service, *PupBox*. *Cox Enterprises* launched *Cox Farms*, a new business focused on food & agriculture that includes current companies *Mucci Farms & BrightFarms*; the company will pursue other ventures indoor agriculture investments. *Spindrift* will explore strategic options including a sale. *Fresh Express* will not acquire *Dole's Fresh Vegetables Division* due to pending DOJ litigation.

*McCormick's* stock jumped as 1<sup>st</sup> QTR revenues & profits topped expectations as price increases & at-home cooking drove results; management pegs growth at 8% to 10%. Revenue was up in 4<sup>th</sup> QTR for *JBS* while income was lower, with a fiscal year loss reported.

*Wegmans* will shut down 48 stores for 30 minutes during the April 8 total eclipse. For the first time in 20 years, *Trader Joe's* raised the price of bananas from 19¢ each to 23¢ each. *Trader Joe's* added a grab & go location in NYC. After announcing 12 new sites earlier this year, *BJ's* will add five new clubs in the Southeast & Midwest. *Weis Markets* will use *UberEATS* for delivery. *Kroger* will end its delivery program, closing three fulfillment sites, in central Texas & south Florida. *Giant Eagle* will expand its one-hour delivery with *DoorDash*. *DoorDash* will partner with *Wing*, a drone delivery manufacturer, to offer delivery from a single *Wendy's* location in Christiansburg, VA. *Instacart & Associated Wholesale Grocers* will partner to offer e-commerce & same-day delivery solutions, including *Instacart's* AI powered *Caper Carts*. *Target* will increase employee bonuses in their profit-sharing plan. *Vallarta Supermarkets* will use the *RELEX* platform to better utilize space, increase product availability & support the customer-experience founding principle. *Hershey's Kisses* are now the Pennsylvania state candy. *Kraft Natural Cheese* launched blended cheese shreds. *Jack Link's & Dr. Pepper* will launch a sweet & savory meat snack. *PepsiCo* & *Unilever* will launch *Pure Leaf Zero Sugar* sweet tea. *White Claw* will debut a tequila seltzer. *Beech-Nut Nutrition* is adding several new baby & toddler products including yogurts & smoothies with prebiotics. *Muscle Milk* launched a new product, *Plant Protein Shakes*. *Chick-fil-a* will reverse policy & no longer offer antibiotic chicken. *McDonalds* will begin to offer *Krispy Kreme* donuts in the next few years. *JBS* will enter a partnership with *Galena Farmacêutica* for *Genu-in*, collagen peptides & gelatin. *Imagindairy & Ginkgo Bioworks* will partner to produce animal-free non-whey dairy proteins. *AQUA Cultured Foods* will partner with *Ginkgo Bioworks* to optimize alt-seafood production. *PepsiCo* will invest \$400M to upgrade two Vietnam facilities. *Bridgetown Natural Foods*, a Portland, OR natural, organic & gluten-free snack manufacturer, is investing \$78.3M to open a manufacturing & distribution facility in Lebanon, TN. *Uncle Matt's Organic* opened a 75K sq. ft. facility inside Ft. Worth water bottler *Eventide Water*. *Diageo* invested \$44M to whisky maturation in casks using a technology called *SmokeDNAi*, creating 2 casks with bottles priced at \$50K each. *DSM-Firmenich* opened a pilot plant in Plainsboro, NJ., to collaborate with all categories of food & beverage brands to enable them to produce & quickly scale their products. *Blommer Chocolate*, a subsidiary of *Fuji Oil Holdings*, will close its Chicago manufacturing plant opened in 1939 due to age & location. *Tyson* refuted reports that it intends to hire illegal immigrants. A University of Copenhagen team produced a novel, bacteria-based protein from microalgae that has a similar texture to meat. Israel-based *PoLoPo* deployed a molecular farming technology to produce egg proteins from potatoes at scale in a greenhouse. *AAK & Checkerspot* will partner to develop, scale & commercially produce algae oil. *Sol Systems* & the *American Farmland Trust* will partner on a soil health research initiative. An appeals court affirmed a 2023 decision that ruled *Constellation* did not infringe on the trademarks of *AB InBev's Grupo Modelo* by selling seltzer products under that brand. A class action suit has been filed against the large sugar producers alleging price fixing. California's new April 1<sup>st</sup> minimum wage law has fast food providers & pizza parlors shedding workers & delivery drivers to avoid paying higher costs. Congress approved \$15M for eID tagging of cattle, another action designed to cull herds & force Americans to eat alt-meat to support unproven pseudoscience mandates. Twenty-seven states are contesting the EPA's recent water restrictions designed to put small farmers out of business.

From *Numerator* & reported in *Business Insider*, *Walmart* is the largest grocer at \$264M in sales, more than *Kroger & Albertsons* combined & twice *Costco* sales. This administration continues to target grocers for high prices instead of examining their own failed economic & social policies driving inflation & America to the brink of economic disaster. From *GlobalData*, younger millennials & GenZ-ers are most concerned with their mental health & seek products & supplements in support. Per *TouchBistro*, Americans are choosing takeout over dining in; quality over flashiness; human connection over AI & QR codes. Also, older consumers use friends & family for restaurant recommendations while younger consumers look to social media. From a *Harris Poll*, consumers are opting for retail foodservice options instead of restaurant meals due to economics, variety & convenience. From the *American Pet Products Association*, total pet industry sales hit \$147B in 2023 with \$64.4B on pet food & \$32B on supplies, over-the-counter medication & purchasing pets. The Baltimore bridge situation will impact sugar imports.

**MARKET NEWS:** Markets were mixed in a shortened holiday week. Inflation indexes rose mildly; new jobs were lower than expected.

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

**THE LITCHFIELD FUND** — *Tom Malenjo*

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