



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



THE MILL TAVERN was a cop bar. My buddy's dad was a Cleveland homicide detective & his mom was a local dispatcher so we could drink there, even if we weren't quite 21. The beer was cheap & the hot roast beef sandwiches were loaded with horseradish! It was a Friday night in February, 46 years ago, when we were all huddled at the bar watching the small 19 inch TV set hung above the kitchen door. The youngest ever USA hockey team was about to defeat the 'professional' Soviet team, after entering the final period down 3-2. But when Al Michaels asked, "Do you believe in miracles?" we answered, "Of course we do, after all, we're American Made!"

AMERICAN MADE: In 1980, the Soviet hockey team was the best in the world, having won 5 of the previous 6 Olympic gold medals & the communist team was on a four medal streak. But a group of American kids did what Americans do - WIN!! Hockey was the Soviet's game in 1980. And this week, a group of American kids beat Canada at Canada's game - hockey, again - because that's what Americans do - WIN!! And more importantly, we win playing their game! After all, the USA is 2-0 in World Wars, right? Building our military up quickly to defeat countries that had taken years to form powerful armies! Because in America, we always do it bigger, better, faster & larger in every way. The Pilgrims arrived on the shores of Plymouth, prepared not just to exercise their religious freedom, but to build their enterprise, their fortune & their future in America. Americans have always thought big! Dreamed big! Built big! Built fast! And build in order to win! Build to create mass deployment, with an excellence that has been & still is the envy of the world! Time & time again, history proves this out. Thomas Newcomb invented the steam engine in England & Scottish engineer & chemist Thomas Watt improved its design; England entered the Industrial Revolution. British engineer George Stephenson then built the steam locomotive & no longer was a horse & carriage needed to go from Cornwall to London. When these two inventions reached America, America did exactly what America does. We industrialized on a mass scale, something Britain could never have done. Birdsill Holly, Jr. perfected the central steam engine plant used for manufacturing & Cornelius Vanderbilt built steamships to dominate shipping. Men like Vanderbilt, Hill, Gould, Garrett & Pullman took the steam locomotive to new horizons by building a massive intercontinental railroad transportation network, moving people, goods & supplies across thousands of miles in just days. The process for making steel was discovered in England, then Englishmen Henry Bessemer refined the process to bring the modern steel age into being. But it was America who stamped out the steel for railways, bridges, tunnels, skyscrapers, planes, automobiles, ships & more. America had cities like Cleveland & Pittsburgh whose smokestacks spit fire all night long to light the sky as America's ovens never stopped churning out steel. In Germany, Karl Benz patented his Motorwagon in 1885 & Gottlieb Daimler led much of the design & practicality of the internal combustion engine. But it was Henry Ford who engineered the automobile to perfection, mass produced a car cost efficiently & created an industry by commercializing the automobile, making it affordable & available to everyone. Competitors arose & factories were built in Detroit & across the Great Lakes region. The great automobile manufacturers fueled America's love for the automobile & the open road. Automobiles of course run on gasoline. Oil had been extracted from the ground through natural seeping for more than 4,000 years; ancient civilization used the tar-like substance to waterproof & seal their boats. The Chinese actually began extracting oil from the ground using bamboo shafts in 347 AD. But it was when oil was discovered in 1859 in Titusville, Pennsylvania, that the modern oil age began. It was America who refined oil into kerosene to light the lanterns more inexpensively & efficiently than whale oil. And guess what was left over from refining kerosene, at that time considered just an industrial waste? Gasoline! Rockefeller, Getty, Keir, Lucas, Drake & so many others refined oil at a massive scale to drive America & the world into a second industrial revolution, moving well beyond the power of steam! But oil & gas are not our only forms of energy. Theories concerning electricity had been bantered around European universities & laboratories for years. And Ben Franklin, perhaps the most American American, famously flew his kite to prove lightning was electricity. But it was Thomas Edison (even putting aside the invention of the incandescent light bulb) that lit our growing & expanding American cities. Edison, along with Westinghouse, proved that electricity could be generated at massive scale to not just bring light to the darkness, but to provide more fuel for the fire of the second industrial revolution. New York & every other major city in the USA could all now not sleep at night to keep factories & businesses producing the goods & services 24 hours a day for a growing society. Louis Daguerre pioneered photography in France, but it was George Eastman, the founder of Eastman Kodak, who commercialized camera & film, creating an industry by putting a camera in everyone's hands! Likewise, Frenchmen Louis & Auguste Lumière invented the moving picture, but once again it was Edison who commercialized the idea. From Edison's early moving pictures & pioneering theaters, Hollywood was eventually born, to first export America's culture across the world & then to attempt, in recent years, to destroy our American culture! It was German engineer Otto Lilienthal who became known as 'The Glider King' & his European contemporaries like Pilcher, Zeppelin, Ader, Maxim, Zhukovsky, Kress & others who toyed with heavier than air devices & theory well before 1900. But it was the bicycle shop owners from Dayton, Ohio, the Wright Brothers, who had the first successful manned flight at Kitty Hawk in 1903. Then the Wright Brothers, along with men like Boeing, Douglas, McDonnell, Northrup, Grumman & Curtiss not just scaled an industry that provided for the shipping of mail & goods & safely transporting people for business & pleasure; but then constructing the weapons of peace that won World War II & defend our freedom & liberty still today! The Chinese invented gunpowder & launched rockets into space more than a thousand years ago. The medieval age saw the rise of gunpowder weapons & by the 17th century, European militaries & inventors were launching rockets for war & experiments! In fact it was in 1806 that Claude Ruggieri, an Italian living in France, launched animals on rockets & recovered them using parachutes; then the gendarmes had to step in to prevent him from launching children into the atmosphere! But it was America who scaled, industrialized & commercialized these inventions. America was a massive country whose citizens needed protection. Men like Whitney, Colt, Smith, Wesson, Remington, Winchester, Gatling, Browning & others brought self-protection, our American God-given right, to individuals & provided police & our military the weapons to win, secure & keep the peace. The Germans made massive advances in rocketry as a weapon of war during World War II, but it was America who launched Voyager I in 1977 which is still reporting back from 16B miles away! And only America has placed men on the moon, & it will be America, led by the most successful African American in history, that will place men & women on Mars! It was in Germany that nuclear fission first took place in 1938, but it was America who won the race into the Atomic Age to bring about world peace, not world destruction! Of course, America has many of its own inventions that grew into massive industries. But notice that pattern that has existed here in the USA for the past 250 years. Notice the repetitive words that describe these various endeavors. Whatever the idea or invention, wherever it was discovered or invented, it is America who industrializes it, scales it, commercializes it, builds it to mass through cost & production efficiency & creates global cultural dominance when other countries have to follow suit just to keep up. Globalists might say that America is a vast country with a large population & massive natural resources.

True, but Russia, China, India, Africa, the Middle East, South America & the European Union including the United Kingdom are far greater in population & have access to numerous natural resources. Australia & Canada, while lacking in population, also have amazing natural resources to draw upon. But it is the American people who for the last 250 years have had the DNA to dream bigger, build bigger, build better & build to win! For many years the stamp "American Made" meant quality. Yes, that stamp may have stumbled for a few years, but it is back! Back because we have a President removing the yoke of the globalist Obama/Biden era to enter a Golden Age of American excellence & dominance with his economic vision, tireless work ethic, ability to only dream big & his desire to see America win, win, win! Because in America, that is what we do & what we have done for 250 years. Whether it is transportation, manufacturing, communications, entertainment, energy, construction & more, we build it bigger, better, faster & build it to win. And when our military has been called upon in the past, & if & when it is called upon in the future, we win! And if it's a bunch of kids playing hockey in 1980 or a bunch of kids (with a few missing teeth) playing hockey in 2026, we win! Because, after all, we are American Made!

INDUSTRY NEWS: *OoMee*, a seaweed drink expanding into matcha, raised \$5M. Afghan-inspired food company *Maazah* raised \$2M from existing investors & three family offices based not surprisingly in Minneapolis. *MidEuropa Partners* acquired a minority stake in *Oshee*, a Polish producer of branded sports drinks & nutrition bars. *Brandjectory Pitch Slam* winner *Olyra* secured \$3.5M in debt refinancing. *Verley*, fermented whey protein, raised €32M; €25M came in equity funding from *Alven, Blast, Sofinnova, Captech Santé, Sparkfood, Founders Future* & €7M was in a credit arrangement with French investment bank *Bpifrance*. In the UK, *Resurrect Bio*, enhancing plants natural genetic defenses against disease, raised \$8.1M led by *Corteva* with participation from *Calculus Capital, Pymwymic, UKI2S, SynBioVen & AgFunder*. In the Netherlands, faux cheese company *Those Vegan Cowboys* raised €2.5M. *Archer Meat Snacks* secured a \$100M credit facility from *JPMorgan Chase*. In New Zealand, *Forever Harvest* raised NZ\$1.2M led by *Sprout Agritech*, with the *Bioeconomy Science Institute & Callaghan Innovation's Deep Tech Incubator* program, to expand its lab grown fruits & nuts platform. *Pepper*, ecommerce technology for food distributors, raised \$50M led by *Lead Edge Capital*. In Norway, *Biosort* raised \$10.5M from *Grieg Kapital, Hatch Blue, IVC, Farvatn & Futurum Ventures* for a commercial launch of its process to prevent lice in salmon farming. In Denmark, *REDUCED* raised €4M co-led by *Delphinus Venture Capital*, with participation from *Novo Holdings, ECBF & EIFO* for its fermentation processes that converts food industry side streams into natural savory ingredients for manufacturing. In Spain, *IKOS Advanced*, an AI sensor platform to automate & control field operations, raised €8M from *Impact Bridge Asset Management*. Also in Spain, *Grodi*, autonomous robotics & computer vision for agriculture, raised €2.5M led by *Swanlaab Invierte Agri FoodTech*. *Keep It REAL Foods* is the merger of five brands - *RIND Snacks, Oakhouse Bakery, MaGi Foods, Small Batch Organics & Whirlybird Granola*. *Pure Treats (PureBites & PureSnacks)* will acquire *Primal Pet Foods* from *Kinderhook Industries*. Norwegian vertical farming company *Grønt fra Nord* entered court-supervised restructuring. *Mars* launched a new \$50M *Mars Impact Fund* to invest in community resilience, scientific opportunity & animal wellbeing. *Cutting Horse* launched its inaugural fund at \$75M.

Loblaw reported upbeat 4th QTR performance, though revenue missed analyst targets. *Smucker* scored a beat on 3rd QTR estimates & the stock rose; net income was negative due to impairment charges concerning the *Hostess* brand. *KDP* reported strong 4th QTR performance & a positive 2026 forecast, well ahead of Wall Street projections. *Celsius* widely beat estimates with 4th QTR EPS at 26¢ (19¢ projected) & revenue of \$721M (\$638M projected). At *Dole* in 4th QTR, revenue was \$2.4B, up 9.2% YOY & adjusted EBITDA of \$72.7M beat analyst projections. For *Grupo Bimbo*, income was up 1.2% in the 4th QTR & net sales were 1.5% lower. Foodservice softness led to a down 4th QTR at *Gruma USA* as net income dipped almost 30%. *Danone* reported disappointing USA results despite a 4th QTR increase in revenue. Sales fell 23% as *MGBI Ingredients* reported a \$132.99M 4th QTR loss. *CVS Health* reported 4th QTR earnings & revenue that beat estimates & reaffirmed the 2026 profit guidance (EPS of \$7 to \$7.20 & 2026 revenue of at least \$400B) that previously impressed investors. *Cava* reported 4th QTR double digit revenue growth & a jump in same store sales, driving the stock price higher. *Diageo* reported a decrease in sales & operating income in the 1st half; leadership forecasted weaker consumer demand.

Loblaw will invest \$2.4B in 2026 with plans to build 70 new stores. *HEB* will launch two new stores in Garland, TX. *Amazon* plans to invest \$12B in artificial intelligence data centers in Louisiana. *Fresh Thyme* is trying to rebuild its brand image with a refreshed BFY focus on its private label brands. *Target* will only sell cereals made without synthetic colors. *DoorDash* ended operations in Qatar, Singapore, Japan & Uzbekistan. *Uber Eats* will deliver for *T&T Supermarkets* in Canada following the loss of the hockey gold to the USA. Food delivery & tech company *Wonder* will expand into Texas. *Niman Ranch* is planning to increase the supply of organic beef by sourcing from USA family farms. *Bob's Red Mill* is adding instant oatmeal & overnight protein oats to its offerings. *Bel USA* will debut *The Laughing Cow Dill Pickle Flavor* spreadable cheese. *Dr Pepper & Johnsonville* will partner on a (terribly) flavored sausage. *Pilgrim's Pride* chicken brand *Just Bare* passed \$1B in annual retail sales during 2025. *Puratos*, with *California Cultured*, will launch a chocolate product made with cultured/cellular cocoa through its *Sparkalis* food unit. *Hershey, Lindt & Sprüngli, Mars, Mondelēz & Nestlé* have created *TogetherCocoa* to support growth in Côte d'Ivoire & Ghana who supply 50% of the Earth's cocoa. *Coca-Cola* paused production of *Topo Chico* for facility upgrades; the drink will be back on shelves later this year. A *Frito-Lay* warehouse in Rancho Cucamonga is the latest *PepsiCo* closure & will result in 248 layoffs. *E & J Gallo Winery* is closing its *Ranch Winery* in Saint Helena, CA, & downsizing at other locations, expecting to release 93 workers. *Westfalia Fruit*, avocado production, ripening & distribution, opened a new *Fresh Distribution & Ripening Center* in Winston-Salem. A *Perdue Farms* associate was killed in feed mill explosion at a North Carolina facility. A Russian missile struck a Ukrainian *Oreo* factory. *Saputo* recalled *Great Value* cottage cheese varieties sold at *Walmart* in 24 states due to the possibility of incomplete pasteurization. In New York, *Rosina Food* recalled 9,462 pounds of frozen, RTE meatball products that may be contaminated with metal. *Oregon Potato Co.* recalled more than 55K pounds of frozen blueberries due to listeria contamination. *Walmart* will pay \$100M to settle an FTC lawsuit concerning driver wages. Despite a budget shortfall, New York City's communist mayor plans to spend \$70M on a government owned grocery store that will have empty shelves. *Sara Lee Frozen Bakery* hired Peter Laport as CEO replacing Craig Bahner.

Trader Joe's, Lidl & Aldi all saw store visits increase throughout 2025 with more significant time spent in store, per *Placer.ai*. From *Acosta*, 58% of shoppers read labels all the time or most of the time before buying a new product; for health-conscious shoppers, 87% do so. From *Circana* data, frozen food sales are over \$87B, having increased by more than \$27B from 2019, with 76% of consumers combining fresh & frozen in meal preparation, per *FMI & the American Frozen Foods Institute*. The USDA is projecting at-home food prices to rise just 2.5% this year, well below the disastrous Biden years. Supply chains in Mexico face disruption as the Mexican government wages war with the cartels; tomato shipments to the USA have been impacted. Also limiting tomato supply is cold weather in Florida where global warming seems to be having no impact.

MARKET NEWS: Markets bounced early in the week but settled lower as core PPI was higher than expected; investors still seem to have the AI shakes & can't seem to figure out that there will be tariffs. The President scored a major victory with perhaps the greatest State of the Union speech ever, calling out the radical Democrats who refused to stand to pledge protecting American lives over illegal aliens. (Who votes for these shameful, awful human beings?) Meanwhile, the Democrat SOTU response was the usual, "Orange man bad. He hurt my feelings. Orange man bad." The President's approval rating rose 10 points to 64% following his address. Consumer confidence rose in January

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