



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



APRIL FOOLS' DAY & practical jokes will soon be upon us! There are the old standbys: whoopie cushions, telephone receivers superglued in the cradle & prank phone calls! In college, one of our math profs loved to play practical jokes on us. One April Fools' Day, while he taught a class, we filled his office, floor-to-ceiling, wall-to-wall, with helium balloons. When he returned to his office (with a few students) he opened his door to a flood of balloons & then had to 'swim' his way to his desk. It is the rule, per *The Main Ingredient*, that everybody plays the fool sometime. But today it feels we are constantly being played for the fool; as if we have given some people a license to fool.

LICENSE TO FOOL: The court jester, or fool, was actually a highly regarded member of a royal's or noble's court! Even in ancient times, the fool or jester was invited access to the table of the rulers & wealthy to entertain their friends with jokes, acrobatics, storytelling & songs. They were the ancient equivalent of the vaudeville performer; the great 20th century entertainers who rode the railroads & earned their stripes in small town auditoriums across the USA: Bob Hope, George Burns, Jack Benny, George Jessel & Eddie Cantor. In Medieval times, the court jester held so much prominence that he wore a sort of uniform, a crown with points & bells, & carried a scepter, the symbols of royalty & rulers. These fools were protected by law; they could openly mock the king & queen, the other royals in the court & the government or any of its administrators! Only the fools could joke or taunt the king! They were a '*licensed fool*' & given immunity for anything they said or did! Mark Twain called April 1, "*The day upon which we are reminded of what we are on the other three hundred & sixty-four.*" Everyday, the American people are being fooled - by the government, the media, the universities & other entities - to whom we have apparently issued a license to fool. These so-called institutions use manipulation & outright lies in an attempt to fool the American people every day. Most people are too busy, too stressed, too tired, or just frankly don't give damn enough to search for the truth. This makes most of us ripe to be fooled; these entities know this & work together to prey upon us. They fool far too many of us into believing we are better off today than we were four years ago, despite higher prices, higher interest rates, higher taxes, more regulation, more personal & federal debt & less personal wealth. They fool us, saying crime is not a problem; therefore full & proper policing & prosecution is not necessary, despite the rising crime we see in our neighborhoods. They tell us that heinous & vicious attackers are actually the victims. They lie, using a good person's comments out-of-context to make them appear to be a bad person. They think we will believe that our borders are secure, despite the increased violence, missing & abused women & children, & drugs infiltrating our nation. They tell us we are strong internationally as enemy nations steal our technology, buy our farmland, freely spy on us & corrupt our government officials. They fool us into thinking we live in a just society, while they openly persecute their political enemies, saying that these people are divisive & a threat to democracy when they themselves create division & crush democracy with their lies, manipulation & self-profiting corruption. They want us to believe that all of us will be better off if our individual rights are curbed, all while creating rights that do not exist in our Nation's Constitution. Then they tell us that our *Precious Sacred Rights* apply to anyone in the USA, not to those who by birthright or naturalization earned these rights, but to people they want us to believe are just "*undocumented citizens.*" And finally, they fool us into believing that their energy, economic, & social policies will save the world & mankind, when these policies will actually destroy America, the leader of & only hope for a free & safe world. And while some of us may not be fooled, they know that many - too many - will be & that they will be loud! From Thornton Wilder, "*Ninety-nine percent of the people are fools & the rest of us are in great danger of contagion.*" Lincoln told us, "*You can fool all the people some of the time, & some of the people all the time, but you cannot fool all the people all the time.*" Early 20th century American columnist Franklin P. Adams foresaw our era & disagreed, "*The trouble with this country is that there are too many politicians who believe, with a conviction based on experience, that you can fool all of the people all of the time.*" But even if they can fool a large number of people, what these people believe is not 'truth'. From French poet Anatole France, "*If fifty million people say a foolish thing, it is still a foolish thing.*" Yet, it is difficult for someone to argue with or try to talk some sense into those who have been fooled, from Bertrand Russell, "*The whole problem with the world is that fools & fanatics are always so certain of themselves, & wiser people so full of doubts.*" Euripides warns, "*Talk sense to a fool & he calls you foolish,*" & Twain advises, "*Never argue with a fool, onlookers may not be able to tell the difference.*" But those not fooled must speak up & only speak the truth. From Russian poet Boris Pasternak, "*In every generation there has to be some fool who will speak the truth as he sees it.*" He who speaks the truth will be the wiser fool, from William Hazlitt, "*To be wiser than other men is to be more honest than they; & strength of mind is only courage to see & speak the truth.*" The truth needs to be spoken, sooner than later, for as American journalist Ambrose Bierce wrote. "*Vote: the instrument & symbol of a freeman's power to make a fool of himself & a wreck of his country.*"

INDUSTRY NEWS: *ALL EARS!!* favorite chocolate, *Honey Mama's*, raised \$8.7M from new & existing investors. *ProteinDistillery*, German plant-based food company, raised €15M from *Green Generation Fund*, *the Startup Family Office* & *Wendelin Wiedeking*. Australian

startup *Cauldron* raised AUD9.5M (\$6.25M) to scale its more efficient manufacturing platform that enables partners to produce high-value ingredients via precision fermentation; the series A round was led by *Horizons Ventures* with participation from *SOSV*, *In-Q-Tel (IQT)* & *Main Sequence*. Spanish food tech company *Poseidona* raised €1.1M in a pre-seed funding round to further develop its innovative & sustainable algal protein ingredients; the round was led by *Faber* with involvement from *Dozen Investments*, *Sprout & About*, *Proveg International* & *WA4STEAM*. *Döhler Ventures* invested in *Vertosa*, an infusion technology company for cannabis & hemp products. *LactaLogics*, human milk-based nutrition, raised \$92M in funding from private investors & government organizations. *Ai Palette*, an AI CPG platform that identifies trends & generates new product concepts, raised \$5.7M led by *Tin Men Capital*. India's B2B ecommerce startup *Jumbotail*, marketplace for retailers with brands & suppliers, raised \$18.2M with *Artal Asia*, *Heron Rock*, *Sabre Investment*, *Arkam Ventures* & others participating. New & existing investors supported a successful initial closing of a €5.6M convertible financing round (with an expected total round size of €10M) for *Dryad Networks'* early wildfire detection platform. *Shake Smart*, a 45-location shake & smoothie chain, secured an investment from private equity firm *NewSpring*; terms were not disclosed. *Kroger* will sell its specialty pharmacy business to *CarelonRx*, a subsidiary of Indianapolis-based *Elevance Health*. An affiliate of *Peak Rock Capital* acquired *California Custom Fruits & Flavors*. *IFF* will sell its Pharma Solutions business unit to *Roquette* for \$2.85B. Scottish baked goods manufacturer *Murdoch Allan* acquired Scottish baking group *Teviotdale Bakery*. *Sam Nazarian* acquired unspecified *Kitchen United* IP & ghost kitchen assets to combine with his C3 food hall & virtual brand, & remnants of virtual brand platform *Nextbite*, to form a platform called *Everybody Eats*. Indonesia's *eFishery* acquired *DycodeX*, an Indonesian AI IoT startup to accelerate *eFishery's* AI plans, including an upcoming brand called *eFishery.ai*. AgTech company *Ever.Ag* acquired fellow AgTech platform *Adapt-N* from *Yara North America*. *Fondo Italiano d'Investimento* purchased a 60% stake in pasta producer *Pasta Berruto* from *Webcor Investments*; terms not disclosed. *Unilever* will separate its \$8.5B ice cream business into its own entity by the end of 2025 eliminating 7500 jobs. Fulfillment & last-mile delivery provider *Point Pickup Technologies* has ceased operations & will seek a buyer. *Acre Venture Partners* closed a \$14M to invest in AgTech & FoodTech startups from pre-seed to Series B. *Corteva*, a spin-off of *Dow's* agriculture business, has launched *Corteva Catalyst*, an investment & partnership platform to bring to market agricultural innovations that support *Corteva's* value & R&D efforts. *Mad Capital* has launched a \$50M fund to help USA farmers with loans for transitioning to regenerative or organic agriculture. *Grabango* may be preparing for an IPO. *Chipotle* announced a 50 to 1 stock split.

Dollar General reported a down 4th QTR as uncontrollable theft hit the retailer hard; *Dollar General* will remove self-checkout from 300 high theft stores, add cashier assisted stations & limit self-checkout to 5 items or less. Despite lower revenue, *General Mills* beat expectations as higher prices drove profit; the stock price rose 7%.

Trader Joe's will look to open 16 new USA stores. *Sprouts* announced a NIL arrangement with top college athletes, one of whom declared for the WNBA draft the same day. Grocery magnate John Catsimatidis, owner & CEO of *Gristedes* & *D'Agostino Supermarkets* in Manhattan, announced he will fully support his employees in stopping & holding shoplifters. *Target* will introduce self-checkout for 10 items or less. *IGA* & *Instacart* will partner to provide access to *IGA's* 2,000+ member stores. *Flashfood* will partner with 194 stores in the *Save Mart* company. *Wakefern* launched an omnichannel retail media network powered by *Inmar Intelligence*. *Price Chopper/Market 32* will expand its *Upside* partnership. *Cal-Maine* completed the acquisition of *Tyson's* former broiler processing plant, hatchery & feed mill in Missouri & will invest \$13M & create 96 jobs. *Mars* opened an *R&D Innovation Studio* at its manufacturing facility in Hackettstown, NJ. *Eden Green* will grow, package & ship a full herb suite out of a single facility. Cream cheese maker *Franklin Foods* has expanded its portfolio with *SimplyV*, a new plant-based offering. From *Hormel*, a new foodservice offering, *Ribbon Pepperoni*, applied to pizza like shredded cheese. *Alden's* introduced a Greek yogurt bar dessert line with active probiotic cultures. *Oobli* received FDA GRAS letter for its precision-fermented sugar alternative. *Meatly* unveiled what they claim is the world's first cultivated chicken pet food. *The Future Food Institute* & *The Spoon* will offer a new collaboration designed to be a meeting space & learning center for start-up founders who are building the future of food through artificial intelligence. *Syngenta* will expand the *CropX* farm management system to additional Midwest irrigated corn production acres. *Anheuser-Busch*, trying to recover from its *Bud Lite* debacle, will begin to use the US-Farmed label by the *American Farmland Trust* to highlight CPG products with ingredients primarily sourced from domestic farms. Oregon is forcing farmers & their families out of business in the name of water conservation.

From *Circana* & *FMI*, consumers are shifting to mass retailers & supercenters for produce purchases, opting for retailers with everyday low prices. From *Mondelez*, 88% of consumers snack daily, 60% snack twice a day & 66% say higher prices have not changed their snacking habits. Peru is forecasting lower Hass avocado exports for 2024. Bread prices fell in February. Egg prices continued higher.

MARKET NEWS: Markets rose to record closes throughout the week as the FED held rates constant. The FED indicated three rate cuts are still possible & renewed investor hopes for a soft landing. Economist Larry Summers correctly demonstrated that real inflation rates are more than 500 basis points higher than the government's estimate which does not include mortgage & car loan interest increases! Congress passed a \$1.2T spending bill at a time when government spending should be slashed & taxes should be cut to increase household wealth. The increase in household wealth was 15X greater from 2017 to 2021 than it has been from 2021 to 2024.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malenka*

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