



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



IT BEGINS WITH A PARADE down main street; flags hanging from every lamppost & building. We move to the town green; the bandstand draped in red, white & blue bunting. Then comes the National Anthem, a benediction & the Pledge of Allegiance. After a few speeches, the band plays patriotic music; there are barbershop quartets & sing-a-longs! Dads organize games – baseball, sack races, tag – then grill the burgers & dogs. Moms bring the coleslaw, macaroni salad, corn-on-the-cob, watermelon, ice cream & pie! As night falls, fireworks! It's an **ALL EARS!!** Fourth of July, at least in our minds, from the early 20th century America – patriotic, homespun, small town & idyllic!

IDYLLIC: We readily admit that **ALL EARS!!** likes to paint an idyllic picture of the first half of the Great American century. It's almost as though we are trying to create an oasis in our mind, perhaps even our soul, far away from all the noise, chaos & dissention that exists today. But when a dingbat bartending Congresswoman, an old Soviet communist Senator, a fake Native American Senator & a crybaby Oscar-bound, anchor-baby Senator begin misquoting history, the Constitution & the rule of law, needless to say, it's upsetting! They & so many others have no idea what has taken place in the past & how Presidents have dealt with situations. But even though celebrations of our favorite holiday may have changed, much doesn't change. French essayist & novelist Jean-Baptiste Alphonse Karr wrote, "*Plus ça change, plus c'est la même chose*," that is, the more things change, the more they stay the same. So, **ALL EARS!!**, with *all honesty*, will question its own idyllic version of the early 20th century with a few historical happenings we all should have learned in school, if our school systems were competent & unbiased! Let's begin with the OMG, we are going to war screams! There have only been five wars declared by the USA (War of 1812, Mexican War, Spanish-American War, WWI & WWII) with only 11 named enemy country combatants. Yet, in our idyllic American time period, America sent actual troops into battle many times. In 1900, we intervened in China's Boxer Rebellion. (Find reading history boring? Stream *The Sand Pebbles* or *55 Days at Peking*!) Troops were in Panama for 14 years to help Panama separate from Colombia & protect the construction of the Panama Canal. Twice before 1920 our troops entered Mexico: In 1914 to prevent the delivery of arms to the military dictatorship that overthrew the democracy; & again in 1916 & 1917 to pursue & capture bandits, raiding across the border, led by Pancho Villa. American troops spent almost 20 years (1915 to 1934) in Haiti due to constant government unrest & continuing civilian oppression. And then, in 1950, troops entered the Korean War, resulting in more than 36K USA deaths & 103K wounded. By contrast, an American President ordering a 45-minute fly over to obliterate a nuclear threat is not new & by comparison, short, easy & safe! Let's move on to the OMG, illegal aliens are being rounded up & deported screams. Forgetting the fact that the sociofascist President who ran our country from 2008 to 2016 deported more than 3M illegal aliens (& dropped 26K bombs in the Middle East without Congress or the media caring), in the 1930s during the Great Depression, to help improve USA citizens job opportunities, more than 2M illegal aliens from Mexico were deported. The 1924 Chinese Exclusion Act had already limited cheap labor being imported from Asia. There were a number of laws enacted allowing for deportation (this better sound familiar) including violating guest worker status, un-American ideological beliefs, criminal convictions & those who were morally corrupt! Self & voluntary deportation was offered to avoid prosecution! (And let's not forget in 1954 America started one of the largest deportation acts in history, beginning with Operation Wetback, targeting truckers bringing illegal aliens across the border.) Of course, there is the OMG, bombing Iran will set-off the sleeper cells, which the previous President & his puppet master(s) allowed in the country. The 1903 Immigration Act allowed the USA government to round up Marxist anarchists; it was used many times, including the Palmer Raids in 1919 & 1920. Sleeper cells are not new: In the early 1940s, a Nazi sabotage plot against the USA infrastructure was uncovered before any damage occurred; & during WWII, 30 Nazi sympathizers stood trial for sedition & treason. Also, there were rumors of the sabotage of the USA-seized ocean liner *SS Normandie* (renamed the *USS Lafayette*) in New York Harbor, but the damage was actually caused by a welder's torch! There is also the OMG, he is using USA troops & National Guard to quell riots narrative. In 1914, the National Guard was called in to quell miners' strikes in Ludlow, Colorado. In 1921, an armed army of 3500 coal miners faced off against 2,000 USA army troops at the Battle of Blair Mountain in West Virginia; General Billy Mitchell was called on to fly his air group over the confrontation for reconnaissance & intimidation. In 1932, WWI veterans, The Bonus Army, marched on Washington DC to claim their service bonuses early – they were met by the USA Army. A variety of late 1800 & early 1900 Congressional Acts, including the *Dick Act*, allow for the Federalization of the National Guard & use of domestic military for border protection, protecting federal property, quelling civil unrest & even law enforcement. And finally, in the '*some things never change*' category, some of our USA cities are the same today as they were even a century ago. In 1919, Seattle had a population of 315K when the Marxists/communists called for a general strike. Twenty percent of the population, 65K workers, walked off the job! The strike only lasted five days, but veterans groups organized to quell riots & enforce the peace. Finally, 950 sailors & marines were called in to support 600 police officers & end the strike. Sometimes past events are unbelievably close to modern day events! The Zoot Suit riots lasted 5 days in Los Angeles in the summer of 1943. American troops & Los Angeles residents got fed up watching Mexicans & other ethnicities enjoying the nightlife wearing swing-era Zoot Suits – the faddy, big, baggy, oversized suits the '*hep cats*' wore. Considering it a waste of material needed for the war effort, the hep cats were attacked & stripped of their suits! Even at that time it was condemned by First Lady Eleanor Roosevelt as a racial attack, but once again, we see what happens when foreign cultures refuse to assimilate with traditional cultural beliefs, customs & even war time initiatives & laws! And Eleanor Roosevelt's husband, FDR, experienced events very similar to what our current President experienced from 2016 to 2024! Weeks before FDR's 1933 inauguration, Giuseppe Zangara attempted to assassinate FDR in Miami, instead killing the mayor of Chicago standing nearby & injuring 4 other bystanders. Then, after FDR's inauguration, a group of wealthy sociofascist businessmen attempted to overthrow our Republic & install Major General Smedley Butler as a dictator. (Butler blew the whistle, though!) Considering all of this, were the Fourth of July celebrations of this era idyllic? Of course! People of this era were smarter, more moral & more ethical. They understood the difference between right & wrong; good & evil; & the rule of law! They were not browbeat 24 hours a day by every form of media & institution berating them for their beliefs, denigrating our American soul & trying to convince them that wrong was right – there was no such thing as moral equivalency! They believed in God, America's Goodness & Greatness & once a year came together as a community to celebrate! We can safely say these celebrations were idyllic! So when you see a fella on July Fourth channeling 1908, wearing a straw boater, a red bow tie & a blue striped seersucker suit, singing *Yankee Doodle Boy*, waving a flag & eating a hot dog, all while playing lawn bowling on the village green; *relax* – no need to be triggered! It's just me celebrating my favorite holiday!

INDUSTRY NEWS: Momofuku raised \$27M. Mexico's Licor Zone acquired a 10% stake in non-alcoholic spirits brand Arkay Beverages for \$150M at a \$1.5B valuation. Benchmark Beverage made a minority investment in hard cider brand Blake's Beverage & formed a distribution partnership. Kind Kone, plant-based frozen desserts, raised an undisclosed amount led by Epic Angels. Supplement brand Veracity raised a \$6M Series A round led by Maveron & Melitas Ventures. Belgian faux-coffee start-up Koppe raised an undisclosed seed round led by Nucleus Capital with participation from Mudcake, Rockstart & other angels. Other Half, pet wellness, raised \$3M led by Willow Growth; Habitat Ventures & Off Leash Capital were involved. Mealagic (meal delivery) raised \$16M led by S2G Investments, U.S. Venture Partners, Unilever Ventures & others participated in the round. Seafood restaurant & CPG brand Luke's Lobster secured a minority investment with Relentless Consumer Partners & Whole Foods Market involved. Too Good To Go, close-to-expiration-date product platform, is reportedly considering a €200M to €300M raise to support expansion at a possible €1B valuation. In New Zealand, livestock management platform Halter raised \$100M (at \$1B valuation) led by BOND, with NewView, Bessemer Venture Partners, DCVC, Blackbird, Icehouse Ventures & Promus Ventures involved. In Amsterdam, Doktor, data-driven agriculture platform, raised €7.5M co-led by ECBF & Pymwymic with participation from Diffusion Capital Partners. In Brazil, Symbiotics, microbiome solutions for agriculture, raised an undisclosed amount led by Corteva. In Europe, Antler Bio, gene-enabled dairy farming, raised \$4.3M led by The First Thirsty Ventures. DUDE Wipes, a seemingly unnecessary product, received a strategic growth investment from TSG Consumer Partners. C&S Wholesale Grocers & SpartanNash will merge with C&S acquiring SpartanNash for a purchase price of \$26.90 per share totaling \$1.77B. German retailer Schwarz Group (Lidl & Kaufland banners) will acquire a majority stake in Romanian retail chain La Cocos. Unilever will acquire men's personal care brand Dr. Squatch from private equity firm Summit Partners. Also, Unilever may be looking to sell Graze, which has lost value since it was purchased in 2019 for £150M, now reported to be worth just £50M to £80M. C.H. Guenther & Son acquired Fresca Mexican Foods, a Boise, Idaho-based maker of flour tortillas, corn tortillas & tortilla chips. Eshbal Functional Food, gluten-free & better-for-you baked foods & baking products, acquired Israeli Swonder Bread which specializes in sprouted sourdough & vegan bread. Jones Soda sold its cannabis beverage business, including its Mary Jones brand, to MJ Reg Disrupters for \$3M. Danone acquired Belgium's The Akkermansia Company, a gut health & probiotic research company. GrubMarket completed the acquisition of Coast Citrus Distributors. Sunset Distribution in Tennessee acquired Scout Distribution in California. Swiss biomanufacturer Planetary acquired Spain's Libre Foods to scale fungi driven faux-meats. SPINS acquired pricing platform Dataassembly. In Britain, Mighty Drinks, plant-based milks, entered administration. Atlantic Natural Foods (Loma Linda, neat & TUNO) is seeking to be purchased out of bankruptcy by Century Pacific in the Philippines. The Mars & Kellanova merger cleared USA regulatory review but is still being reviewed by the European Union. Alimentation Couche-Tard (Circle K) must divest 35 gas stations to advance its Giant Eagle deal, per the FTC. The Bunge & Viterra merger cleared a regulatory hurdle in China. Aria Growth Partners closed its second fund at \$152M.

General Mills beat 4th QTR earnings but missed on revenue; forward looking estimates soured investors. Walgreens Boots Alliance reported 3rd QTR earnings that beat estimates with a smaller than expected loss. Alimentation Couche-Tard reported a down 4th QTR but a strong full-year performance.

Whole Foods added locations in suburban Chicago & Miami. Weis Markets opened its first new store in nearly 3 years in Lake Linganore, Maryland. Stater Bros. Markets opened a new store in Highland, CA. Amazon is expanding its same-day & next-day delivery services to millions of USA customers in more than 4,000 smaller cities, towns & rural areas by the end of this year. Amazon is planning to invest £40B in its UK infrastructure. Also, Amazon was once again the worst performer in UK grocery suppliers' survey, per Reuters. Walmart is deploying AI-powered tools for its workers across the USA to streamline tasks & improve service. DoorDash now delivers for Gelson's, Big Y, Citarella & Gordon Foodservice Store. Also, DoorDash expanded its partnership with Flytrex to provide all-day drone delivery in Dallas-Fort Worth. In the UK, Just Eat will fully launch its delivery-as-a-service platform, JET Go. Kroger will add 80 new protein-focused products to its Simple Truth brand. Goodles has introduced microwave cups. Laird Superfood added protein instant latte. General Mills & Motts will launch a new soft-baked line. In Austria, Kern Tec will partner Swiss chocolate maker Stella to create a new vegan chocolate made from upcycled apricot kernels. PepsiCo will partner with Chile's NotCo to launch products in the South American market. Kings Hawaiian, celebrating its 75th year in business, is updating its logo & branding. Britain's plant-based Odd Burger will distribute in North America through on-line grocer Vegan Supply. After two years, McDonald's & Krispy Kreme will end their partnership. Raising Cane's is planning a large expansion through the remainder of the year. Tyson Foods will invest \$23.5M in the expansion & modernization of its facility in Robards, KY. Walmart opened a 300K sq. ft. beef facility based in Olathe, KN. Smithfield Foods will relocate approximately 115 Midwest corporate employees to its Virginia's Tidewater region, where the company's headquarters is located, within the coming months. American Sugar Refining will close its Domino Sugar Refinery in Yonkers, NY, by the end of 2025. All Hale Meats quadrupled its processing capacity in Wolfforth, TX. Blue Diamond Growers will close its Sacramento plant & will transfer operations to existing facilities in Turlock & Salida, CA. JBS will open a new sausage plant in Iowa, creating 250 new jobs; the state granted JBS a \$12M tax break. Cargill will partner with Biotech Farms in Mindanao, Philippines, for a new feed production facility. Nestlé has revealed it will lay off 80 workers at its Krupka plant in the Czech Republic amid weakening demand for plant-based meat products. Mondelez has opened a new \$3.3M consumer research center within its existing Global Centre of Excellence for chocolate research & development in Bournville in the UK. Louis Dreyfus has been selected by the Ports of Indiana to reopen its Burns Harbor grain export facility on Lake Michigan at Portage, IN. Hormel Foods filed a lawsuit against its competitor Johnsonville, for hiring two former employees to gain trade secrets, that is, to know how the sausage is made! The owner of BetterBrand has disappeared as a lender seeks to collect \$500K. Conagra has also committed to removing artificial dyes & chemicals by the end of the year while JM Smucker will remove these chemicals by mid-2026. Texas has enacted additional food label warnings to begin on September 1 for 44 ingredients as well as being the seventh state to ban cultivated meat. James Snee is retiring from Hormel Foods & former CEO Jeffrey Ettinger will take over for 15 months before the company is turned over to John Ghingo, current president.

In a not-at-all shocking (especially to this Italian boy) study from Università Cattolica del Sacro Cuore, with support from Barilla Group, it was found that pasta consumption is associated with increased happiness, reduced stress & improved quality of life; pasta is associated with family, happiness, comfort, relaxation & pleasure! Pass the pappardelle, please! From GS1, 71% of USA consumers say that they are reading labels more closely & more often, with 66% saying they will scan a QR code on food packaging to access information such as freshness, ingredients & shelf life. The Farm Bureau puts the price of a summer cookout slightly lower than last year. UK grocery prices hit their highest rate in more than a year. The wheat harvest is expected to catch up as rains have ended & fields are drying; muddy areas are being avoided. The worldwide weather forecast is reported as favorable for this season's crops.

MARKET NEWS: This week, the markets rose & oil prices fell after the successful obliteration of Iran's nuclear facilities by the United States Air Force & the ceasefire of the 12 day Iran/Israeli war. The S&P & Nasdaq ended the week at record highs while the DOW was within 3% of the record close, despite the OMG the market will never recover from tariff implementation screams in early April! Both the USA & China confirmed that a trade deal had been reached; but trade talks with Canada have been terminated. The PCE index came in at 0.1% for May & 2.3% YOY. The Core PCE index was 0.2% for May & 2.7% YOY. Both personal income & personal spending declined; spending declines were perhaps due to a cut in government programs. S&P Flash PMI services & manufacturing indices came in higher than expected. Durable goods orders rose. Both existing & pending homes sales were higher than expected. Initial jobless claims were lower than expected. The University of Michigan Consumer Sentiment report rose for June as consumers' optimism improved. Bipartisan pressure continues to grow on Fed Chairman Powell to reduce rates. Tariff revenue has reached \$88B. General Electric will move manufacturing from China to Kentucky with a \$500M investment. Summer gas prices hit the lowest level since summer of 2021!

SEEDS, SPROUTS, GROW, HARVEST!

The Litchfield Fund — *Tom Maloney*

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