



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



"GENTLEMEN," Ayn Rand said, scanning the distinguished guests around her, "I welcome you to this *ALL EARS!!* salon." The room quieted to listen closely. "Looking at recent violence, we might jump to the conclusion that the cause was propaganda. If I thought that, my contemporary, Mr. Orwell would be here. But I believe the real problem stems from our educational system. I feel education should be privately funded with free market options of parental choosing. The academia jet-set coalition is attempting to tame the American character by the deliberate breeding of helplessness & resignation. So gentlemen, let's discuss the responsibilities of education in our present society!"

EDUCATIONAL RESPONSIBILITY: "M. Rousseau," said Jefferson, pouring a glass of wine. "I know you are a connoisseur. I believe you will find this quite delightful!" The Swiss philosopher took a sniff, then a taste. "This is very fine, M. Jefferson, is it from your estate at Monticello?" Jefferson's face fell. "Sadly, no. I have experimented with grapes, but the soil & climate of Virginia will not produce wine that is a suitable substitute for those of France's vineyards." Suddenly, Aristotle jumped to his sandaled feet! "Gentleman, while I feel alcohol can be used in moderation, let's not lose control. It will boil & inflame your body. In the morning you will be cursed with the kraipalais & I brought no cabbage to boil! Also, I wrote extensively on wine's impact on male & female fertility & the impacts to their offspring in my *Problemata*, which Mr. Jefferson, you have certainly read!" George Bernard Shaw intervened. "Sit down, Ari," he said, irritated. "We know, we know! You knew about it all & wrote it all before anyone else. But as an advocate for clean-living, I must agree." "Yes, yes," said Rousseau, taking another sip. "But drink does loosen the tongue & as I have often said, a drunken mind speaks with a sober heart. We are here to seek truth & understanding, so...." The Swiss philosopher smiled & took another sip. Rand was clearly annoyed. "Back to our topic, Mr. Shaw, you have strong opinions on this subject, well...on most subjects, so will you lead us off?" Shaw stroked his beard, "My schooling not only failed to teach me what it professed to be teaching, but prevented me from being educated, to an extent. What is the matter with universities is that the students are school children, whereas it is of the very essence of university education that they should be adults." Aristotle nodded his head in agreement. "Yes, I quite agree. All our learnings stem from our senses & experiences. We become just by doing just acts, temperate by doing temperate acts, brave by doing brave acts. The soul is so constituted as to be capable of this process: from perception comes memory, from memory comes experience & from experience comes the principle of art & of science." Rousseau responded, "Agreed, we learn not from books, but from things themselves." Rand once again interjected. "Yes, I believe we would all agree that schooling at all levels should never be government restrained or teach rote memorization of facts. The only purpose of education is to teach a student how to live his life, by developing his mind & equipping him to deal with reality. The training he needs is theoretical, conceptual. He has to be taught to think, to understand, to integrate, to prove. He has to be taught the essentials of the knowledge discovered in the past & he has to be equipped to acquire further knowledge by his own effort." John Locke finally spoke up. "Aristotle would certainly agree, learning is simply human nature, in our soul. But it must be nurtured in the best ways. I have always thought that learning might be made a play & recreation to children & that they might be brought to desire to be taught, if it were proposed to them as a thing of sport. Children love liberty & therefore they should be brought up in it & not restrained or governed too much in things they do not understand." Like Locke, Thomas Aquinas had been quietly listening to the conversation, almost in silent meditation. The Italian theologian rose to his feet. "Education's purpose should be to impart knowledge, wisdom & God's Truth, to cultivate the entire human, while avoiding superficial learning. Wonder is the desire for knowledge... teach that which is worthwhile, including science, logic, mathematics & natural theology. But the study of truth requires considerably more effort, which is why few are willing to undertake it out of love of knowledge, despite the fact that God has implanted a natural appetite for such knowledge in the minds of men." Rousseau looked at the Italian saint, "God's Truth. Quite right. Everything is good as it comes from the hands of the Author of Nature; but everything degenerates in the hands of man. The aim of education is to teach us to love life, to know what is good for us & to draw out what is best in us." Locke once again nodded in agreement. "Yes, M. Rousseau, the saint brings up this important point: while we must allow children to experience & discover on their own, to be able to rationalize & formulate ideas, we cannot forget that we must raise our children to be moral & virtuous. I think I may say that of all the men we meet, nine parts of ten are what they are, good or evil, useful or not, is because of their education." Aristotle spoke out loud, almost to himself, "The cultivation of the mind is a kind of education which makes the man." Ayn Rand joined the conversation. "Which is why the government should not be allowed to interject its ideology in the education process! The survival of humanity depends on rational human beings who can use their minds to survive! Today, to preserve one's mind intact through a modern college education is a test of courage & endurance, but the battle is worth it & the stakes are the highest possible to man: the survival of reason. The rational mind is a moral mind." She looked around the room. "Mr. Jefferson, you have been quiet since you poured the wine, may we ask you for your thoughts?" The statesman, philosopher, musician, perhaps the most well-read man of history, thought deeply for a moment & then rose to his feet, towering above the room. "Thank you my good lady for inviting me to be among this august group of great thinkers. An educated citizenry is a vital requisite for our survival as a free people," he said, as he looked about the room. "If a nation expects to be ignorant & free, in a state of civilization, it expects what never was & never will be." He continued, "Yes, education should give to every citizen the information he needs for the transaction of his own business, but the object of education is to prepare every man for judging for himself what will secure or endanger his freedom." Shaw seemed his usual surly self. "Now Jefferson, unlike most of us, you have a strong belief in public education. Please explain." Jefferson looked at the Irish playwright & as always, considered his words carefully. "Mr. Shaw, as you are well aware, I worked extensively on bringing public education to our Virginia commonwealth, & I am truly disappointed in the state of public education I see in Virginia today. Like all of us, I contend the principal foundations of education should rest in teaching the people to reason & to form their own opinions. The purpose of establishing public schools is to instruct the mass of our citizens in these, their rights, interests, & duties, as men & citizens. The plan of education is to give to the whole mass of the people the instruction necessary to qualify them as guardians of their own liberty." He looked about the room & smiled. "The fate of empires depends on the education of youth: *Aristotle, Politics, Book VIII.*" Jefferson nodded his head to the smiling philosopher. But Shaw looked at the author of the greatest document ever written by mortal man & said, "Incredibly hopeful & a very noble sentiment my dear Jefferson, but a fool's brain digests philosophy into folly, science into superstition & art into pedantry. Hence university education!" Shaw seemed to look about the room in triumph. It was Aquinas who spoke first. "To this room's assured disbelief, I find myself in agreement with Mr. Shaw. Too many minds are prejudiced by the sources of their information. They allow the cult of personality to get in the way of learning." Ayn Rand cleared her throat & the eyes of the room turned toward her. "As we conclude, I think we can once again agree, Mr. Jefferson included, that today's educational

process is evidential of what I have described as the flight from reason, which I believe is the root of all human evil. I wonder if someone would like to offer a final comment?" The room turned toward the great teacher, Aristotle, & waited for him to speak. "Educating the mind without educating the heart is no education at all. Moral excellence is concerned with pleasures & pains; it is on account of pleasure that we do bad things & on account of pain that we abstain from noble ones. Hence we ought to have been brought up in a particular way from our very youth... for this is the right education."

INDUSTRY NEWS: *Fruitist*, snackable blueberry products, received a strategic investment from *888 Midas*. *Ethel's Baking Company*, gluten-free dessert bars, secured \$3.6M from undisclosed investors. Canadian protein pasta *Chickapea* raised C\$4.25M led by ingredient supplier *AGT Foods*. *Burnt*, a foodservice AI order management platform, raised \$3.8M led by *Penny Jar Capital*, with *Formation VC*, *Scribble Ventures* & angel investors involved. The *Canadian Food Innovation Network* announced the *Foodtech Frontier* winners, which included a C\$100K investment from *Redstick Ventures* to two winners, *Cubbi*, a foodservice platform, & *Dispension Industries*, automated kiosks for canned beer & RTD beverages. Livestock wound care startup, UK's *NoBACZ Healthcare*, raised £4.8M led by *Yield Lab*, with participation from *Adjuvo*, *ACF Investors*, the University of Cambridge, *Parkwalk*, *The FSE Group* & *Cambridge Enterprise Ventures*. Laser weeding technology solution *Terra Robotics* raised €1.8M led by *Uni.Fund*, with participation from *Genesis Ventures*, *Helidoni Group*, *HeBAN* & angel investors. In Australia, *SwarmFarm Robotics* raised \$30M to bring its automated farm tech to North America; the round was led by Belgium's *Edaphon* with *CEFC* & *QIC*. *Sazerac* (*Buffalo Trace*, *Myers Rum*, *Fireball Cinnamon*, *SWEDKA*, *Southern Comfort*, etc.) acquired Texas-based *Western Son Vodka & Distillery*. *Cranswick*, one of the largest food producers in the UK, acquired the *Fridaythorpe* feed mill from *AB Agri* to vertically support its hog business. Citrus co-operative *Sunkist Growers*, founded in 1893, will reorganize with its associated company *Fruit Growers Supply Company* under a single holding company. *Farmers Business Network* (*FBN*) spun off its global crop solutions business into a wholly separate entity, *Global Crop Solutions* (*GCS*), while *FBN* continues to operate its digital marketplace that offers financial services, digital tools & access to inputs & supplies for farmers. Despite the end of acquisition talks, *Danone* & *Lifeway* agreed *Danone* will remain on *Lifeway's* board as it is overhauled & *Danone* will end all litigation. *CVS Omincare* has filed for Chapter 11 bankruptcy. *Beyond Meat* continues to attempt to restructure its debt to avoid insolvency. In France, *Ynsect*, in court supervision, was granted an extension in its restructuring proceedings. Ontario insect ag firm *Aspire Food Group*, facing insolvency, was acquired by *Halali Group Holdings*; the purchaser's intent for the business is not clear. Kentucky based whiskey brand *Uncle Nearest*, in receivership after defaulting on \$108M in loans, is reducing its workforce & seeking a buyer. *Wakefern* completed the purchase of 17 *Morton Williams* stores in NYC. *Once Upon a Farm* will seek an IPO. *Maple Leaf Foods* will complete its pork business spin off on October 1.

UNFI reported 4th QTR & fiscal performance that beat estimates despite a drop in revenue due to an earlier in the year cyber-attack. *Lamb Weston* beat their 1st QTR expectations on positive consumer momentum; the stock price rose as investors took notice. *Conagra's* 1st QTR net income was down 65% & on an adjusted basis, net earnings fell 25% to 39¢, beating analysts' high-end average estimate for adjusted EPS of 36¢; sales were down 5.8% but management upheld the full year forecast. *Tesco*, Britain's largest grocer, reported a strong summer performance & raised its full year performance.

Lidl has new stores opening in Georgia, Virginia & New York. *Costco* reported 35 new locations in the last fiscal year. *Meijer* is planning a move into the Pittsburgh area. At *Groceryshop*, *Sprouts Farmers Market's* CEO Jack Sinclair announced long-term growth plans, including an increase from the current 450 stores to more than 1400. *Big Lots!* has reopened more than 200 stores. *Amazon* launched a new private label brand, *Amazon Grocery*, with more than 1,000 food items, including milk, olive oil, fresh produce, meat, seafood, mostly priced at less than \$5; the new brand unites the *Amazon Fresh* & *Happy Belly* brands. *Kroger* will expand its *DoorDash* relationship, adding 2,700 locations. *Uber Eats* has added several regional grocers, including *Rouses Markets*, *Town & Country* & *Rosauers Supermarket*. *DoorDash* has introduced an autonomous delivery robot, *Dot*. *Amazon Fresh* will now be available in 270 cities in India. *Walmart* will partner with data company *Willot* to deploy millions of ambient sensors across its supply chain to enhance efficiency, inventory accuracy & cold chain compliance. *Wakefern* will partner with *Birdzi* for personalized marketing opportunities. In Europe, online grocer *Picnic* launched a subscription model. *Picadeli* will expand its automated salad bar with *TotalEnergies*, operator of 180 fuel & food service stations across France. In Japan, *7-Eleven Japan* & *Telexistence* plan to roll out humanoid robots by 2029. *Sam's Club* will launch label-less water bottles in China. *Little Spoons* will launch in *Target* after 7 years in eCommerce. *4th & Heart* has launched *Truffle Ghee*. *Uncrustables* will launch a 12 gram protein SKU. *PepsiCo* will launch a *Mountain Dew Cream Soda*. *Junkless* will launch a 25 gram protein bar in four flavors. In partnership with *General Mills*, *Ghost* will launch a protein bar this month. *Powerade* launched *Power Water*, a flavored water with 50% more electrolytes than competitors. *Anheuser-Busch* will invest \$7.4M in its Los Angeles brewery to increase production of fast-growing *Michelob Ultra*, now the top-selling beer in the USA. *Don Pancho*, part of *Reser's Fine Foods*, opened a 300K sq. ft. facility for tortillas & chips in Salem, OR. *Tasty Breads* is looking to open a frozen dough manufacturing facility in Arlington Heights, IL. *Smucker* will invest \$120M in its *Hostess Brands* facility in Columbus, GA, adding 48 jobs. *General Mills* will close three manufacturing plants in Missouri, a pizza crust facility in St. Charles & two pet food locations in Joplin, as part of its supply chain rationalization. *Calbee America* is moving the production of its *Takoyaki Ball* Asian-inspired snack to North America at its Fairfield, CA & Senatobia, MS, facilities to keep up with consumer demand & create a stronger USA presence (i.e., avoid tariffs & employ more USA workers to align with the President's goals). *Bunge* is installing a \$50M biomass boiler at its Martfű, Hungary, location that will provide steam supply for oilseed processing, replacing four current steam-generator units. *Spins* launched two new platforms that will help brands, retailers & other businesses in discovery, better understand & use data & engage with consumers. *Starday Innovation* will use AI data analysis to provide R&D & decision-making to the product development cycle. *Upshop* launched *Upshop 360*, AI data driven retailer dashboard for real-time, accurate, operational control. *Simbe Robotics* introduced *Simbe for Merchants*, offering real-time planogram dashboards & chain-wide visibility into on-the-shelf product placement & availability. *FoodChain ID* & *Agmatix Partner* will work together to improve regenerative agriculture certification for farmers. *Keychain* will expand into Ireland. *Hillshire Brands* recalled 58M pounds of corn dog & sausage on a stick products that may be contaminated with pieces of wood embedded in the batter. *Walmart's* private brands will eliminate synthetic dyes, preservatives, artificial sweeteners & fat substitutes, some 30 ingredients in total. *Oobli* secured FDA GRAS approval for its new sweet protein. *Cracker Barrel* will end its relationship with marketing consultant *Prophet*, the company that led its disastrous rebrand. The FDA conditionally approved *Dectomax-CA1* injectable solution for use when medically necessary on USA cattle with New World Screwworm. *Tyson* agreed to a record \$85M pork price-fixing lawsuit. The fired former *Market Basket* CEO has filed a lawsuit against the grocer. European faux-meat plant-based meat providers are petitioning the EU to allow meat terms on their over-processed & weak nutritional profile fake meats, clearly a despicable effort to fool the consumer & achieve undue credibility. Andrew Iacobucci will be the new CEO of *FreshEdge* as the current CEO transitions to the chairman role. Roxanne Orsak was named the new president at *HEB*.

Online consumer spending in Europe grew by 7% last year, reaching €819B. A study from the University of Michigan found that older adults were more susceptible to ultra-processed food addiction, especially GenX women, possibly due to labeling of foods as diet that are high in carbs. Non-chocolate candy sales grew 11.6% to \$1.5B in the past 12 months, per *Circana*; unit sales rose 6.4%, driven by consumer demand for better-for-you options, unique flavor combinations & textures like freeze-dried. From *Reuters*, overall world food prices have declined with dairy & sugar lower but meat higher. From *RaboResearch*, the global poultry market is forecasted to grow at 2.85% this year, faster than the 2.6% growth rate in 2024.

MARKET NEWS: The markets all hit record intraday highs on Friday as the markets shrugged off the Democrat government shutdown; the DOW went over 47,000 for the first time & settled at a record high. The Democrat leadership (a very loosely held term) held the American government hostage, demanding \$1T in funding for illegal aliens & the foreign & domestic spending initiatives that fund their kickbacks. The Administration is planning massive job reductions during the Democrat shutdown as they continue to find ways to save American taxpayers money. Meanwhile, President Trump's tariffs added \$31B to America's coffers in the month of September, another benefit to the American taxpayer! With the Democrat shutdown, the Administration took the opportunity to cancel \$8B in worthless green energy initiatives & halted \$18B in infrastructure projects to New York City & \$3.2B to Chicago to assure contracts were not race based, a violation of the USA Constitution. In their coming meeting in South Korea, President Trump will confront China's Xi over his failure to honor 2019 agreements on the purchase of soybeans & other row crops. As interest rates fell, pending home sales rose. Auto sales rose from the previous month. Government labor statistics were delayed due to the Democrat led shutdown.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malagala*

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