



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

**"OUR EARS SPAN ALL FIELDS"**



**THE NIP IN THE AIR** (though here in sunny Arizona the temperature will approach 80° today) tells us the holiday season has arrived. People always seem happier, even more friendly & outgoing, during the holiday season. Their step is just a bit livelier, their smile brighter & their mood more exuberant, matching the good tidings of the holiday season! Even the arrival of colder weather & longer nights does not seem to dampen their mood. This December people already seem merrier, as people believe this coming new year will bring with it wealth, happiness, joy & the opportunity to see big dreams fulfilled. But don't worry, every Christmas season has its spoilers, the grinch!

**GRINCHES:** Yes, the Christmas season brings out the Christmas Curmudgeons. Besides the big green Dr. Suess character, there is the always hungry Abominable Snowman, miserly Ebenezer Scrooge, mercenary Lucy Van Pelt, misanthropic Mr. Potter, practical-to-a-fault Doris Walker & many others. But grinchies just don't make an appearance at Christmas. All year long, grinchies are around us. The grinch, any grinch, just doesn't want any other person to be happy for any reason. This is because the grinch is essentially an unhappy person. Oh, they may have wealth, status, admiration from their peer group, fame & a well-to-do life, but inside they are broken, empty & sad. They want everyone to be as unhappy as them; to join them & share in their despair. The grinchies really hate it when someone they deem beneath them, someone lesser in wealth, status, education or from their viewpoint, intelligence, is happy! The high-minded, self-bloated Grinch lived high on a mountain & hated those happy little Whos down in Whoville. He did not really want or need all the toys, gifts & food he stole. He just wanted the Whos in Whoville to be unhappy. We see these grinchies, scrooges & Karens all year long. They dislike it when a high school graduate works really hard & ends up being a successful tradesman; lives in a nice house with his beautiful wife & kids; sends his kids to good schools & then buys himself a *Ford F-450 Super Duty* pickup truck. They hate it when a mom says that public school education is not working for her kids & decides to home school her children. They are offended if girls only want girls in girls' bathrooms or only want girls to play girls' sports. Essentially, the grinch hates anybody who does not think as the grinch thinks, believes as the grinch believes or acts as the grinch deems they should be acting! This Christmas season the grinchies dislike that more than 75M people are happy! That more than 60% of the nation is excited with the outcome of this year's election & the direction the country is headed! This year, instead of disguising themselves as Santa Claus to fool little Cindy Lou Who, the grinchies are disguised as governors, mayors, other out-of-touch politicians, newscasters or media contributors (like economists who never read Friedman, Smith, von Mises or Hayek). These people are upset & jealous that Americans have rejected their policies & programs: identity politics; perverse school indoctrination; race-baiting rhetoric; worthless green *lack-of-energy* initiatives; open borders; warmongering & terrorist support; soft on crime DAs & orange-man bad! Is it any wonder Americans looked toward a more positive future? Yet, governors & mayors reject the fact that millions of people in their states & cities voted for something better for themselves, their children & their future! These grinchies say, *"No, we won't allow our citizens to enjoy the safety & the prosperity that is coming! We like illegal immigrant criminals violating our streets & people! We won't allow our citizens to buy an efficient & inexpensive gas-powered vehicle! They must buy an EV & worry about getting to work every time the wind does not blow!"* The so-called media creates lies about an outstanding group of cabinet & White House staff picks - a group of intelligent, sophisticated & well accomplished women, men, minorities & even a decorated war veteran who went to the media's own 'elite' universities - then these media personalities are forced to solemnly read retractions & to recant their lies! The faux economists who shout falsehoods like *"Tariffs will raise prices,"* or that food prices will increase because all the immigrants who pick our crops will be deported! (What is this? Medieval Europe? *"We need more serfs to pick the crops, My Lord. Shall we ravish Poland for more slaves?"*) And meanwhile, the current vacant-headed administration has sent long-range missiles to Ukraine, is considering sending them nuclear weapons to initiate WWII & is still allowing our streets & campuses to be overwhelmed by terrorist supporting demonstrators fueled by hate & propelled by indoctrination. And this week, bomb threats & swatting targeting the incoming Administration's cabinet nominees! Yes, this season brings out the grinchies who attempt to destroy everyone else's happiness & joy! These grinchies have been around forever. Many years ago, Herod the Great was the Roman king of the Jewish people. From almost nothing, he built an aristocracy & implemented a government. He is credited with building the Second Temple & the Western Wall. His kingdom was to be divided among his children & family. As he neared the end of his life, the people of his kingdom had a joyous revelation. There was a new King, a King whom it had been foretold would free the people from the bondage, oppression & enslavement of their Roman overlords. A King who would lead the Way forward with promises of prosperity in both this life & afterwards. This King would be a new kind of leader who would speak of tolerance, forgiveness, goodness, kindness, individual responsibility, integrity, ethics & morals. A King who would teach the people about the dangers of idolizing government & the institutes of wealth & power. A King who would set people on the path to true happiness. And most importantly, A King who would teach the people the value of teaching their children well. Herod became jealous & envious. He had given his subjects so much. Why were they so willing to follow & praise a child, a newborn who had just arrived? So Herod ordered the *Massacre of the Innocents*, when every Jewish male under the age of two was killed. What a grinch fails to recognize is that for most people, happiness does not come from the trappings around them. Happiness comes from their souls & a gratefulness for what they do have - faith, love & family - & the hope they feel for the future, in this life & beyond. The Grinch realized this as he heard Whoville rise in praise despite stripping the village of all its Christmas trappings. So this year, let's raise our hearts & souls in praise & let our song silence the grinchies who want to deter our happiness & hope!

**INDUSTRY NEWS:** *Lixir*, mead-based RTDs, raised \$570K from investors including *Suja* founder *Jeff Church*, *Sprouts Farmers Market* CEO *Jack Sinclair* & *BrewDog* founder *James Watt*. Clean-energy drink *Virtue Drinks* raised £2M from private investors. *Mela* watermelon water received a celebrity investment. *Virginia Food Group*, peanut & snack mixes, had an undisclosed investment led by *Azalea Capital* with *NewSpring Capital*, *Farragut Capital Partners*, *Salem Investment Partners* & others involved. *Hint* water received an undisclosed capital

infusion. *Lettuce Grow*, home farming kits, raised \$7M from *Structure Capital*, *Collaborative Fund*, *Gather Ventures*, private investors & customers. *Three-Sixty Aquaculture*, UK-based sushi-grade prawn farm, raised €4.1M led by *PrimeStar Industries*. *OneRail*, a last-mile delivery solutions business, raised \$42M led by *Aliment Capital*. *Fresho*, fresh food wholesalers order management platform, raised \$17M. *Cradle Bio*, AI protein engineering platform, raised \$73M led by *IVP*. *Kilter*, autonomous smart pesticide application, received an investment co-led by *Pymwyc* & *Nufarm*. Hong Kong based *Affinity Equity Partners*, acquired Southeast Asian companies *Yupi*, gummy candy, for \$1.2 billion & *Golden Fresh*, seafood processor, for \$450M. New Zealand-based oat milk brands *Otis* & *All Good* combined into a new entity called *Good & Humble*. Canada-based meal-kit subscription service *Goodfood* acquired an 81% share in tea maker *Genuine Tea*. *New Belgium Brewing* sold *Upper Hand Brewery* & its tap room to *Seven Beverages*. *Schneider National*, trucking & logistics services, acquired *Cowan Systems*, trucking & warehousing. UK-based ag robotics startup *Muddy Machines* has acquired the majority of the key assets & intellectual property of autonomous equipment maker *Fox Robotics*. *Middleby* acquired baking equipment maker *Gorrieri Food Processing Technology*, which has a presence in over 60 countries. *Unilever* is working with *Piper Sandler* to sell *The Vegetarian Butcher* that *Unilever* acquired just six years ago. *Fortress Investment Group* is reportedly interested in buying the *Ito-Yokado* supermarket chain from *Seven & i Holdings*. *H-Food Holding*, the parent company of contract manufacturer *Hearthside Food Solutions*, filed for Chapter 11 bankruptcy protection to eliminate more than \$1.9B in debt & secure \$200M of new capital at exit. *Ferrero* awarded \$340K in grants to Oregon State University & Rutgers University to increase collaboration with local hazelnut farmers, producers & distributors. *Heritage Distilling* aims to raise about \$6.75M in an IPO to expand its operations.

*Alimentation Couche-Tard* reported 2<sup>nd</sup> QTR earnings down 13.5% while revenue rose 6%; demand, foot traffic & fuel costs impacted earnings. *JM Smucker* beat quarterly estimates & raised guidance after a strong 2<sup>nd</sup> QTR that was driven by demand for *Uncrustables* & other products.

*Aldi* now has 2,400 stores in 38 states & will invest \$9B to open 800 additional stores over the next five years. *Walmart de México y Centroamérica*, known as *Walmex*, opened its 2,500<sup>th</sup> hundred *Bodega Aurrera* store in Mexicali, Mexico. *Walmart* will follow the national trend, ending its DEI policies & programs. *Walmart Canada* will partner nationwide with *DoorDash*. *Dollar General* is cutting prices for the holiday. *Patriot Pickle* opened a production facility in Garland, TX. *Koch Foods* will invest \$145M to expand its poultry operation in Morton, MS, adding 128 jobs. *Lactalis* will boost feta production at its Tulare, CA, facility with a \$55M expansion project expected to be completed in 2027. *Rich Products* will close its manufacturing plant in Fountain Inn, SC, in efforts to optimize efficiency. *JBS* will invest \$2.5B to build six processing plants in Nigeria. *Lifeway* will offer 10 new kefir flavors. *Nancy's Probiotic Foods* will introduce butter products. New products from *Wyman's* include *Protein Blends* for smoothies, *Fruit First Waffles* & *Fruit & Peanut Butter Poppers*. *Shake Shack* burgers will be served on *Delta* flights. *Barry Callebaut* has added upcycled cacao fruit to its portfolio to be used in such applications as confectionery, ice cream drinks, dairy products & snacks. *Bel Group*, *Avril*, *Lallemand* & *Protial* will collaborate on a three-year project to develop fermented & aged plant-based cheese alternatives. *Burcon NutraScience* & *Puratos* will partner on a plant-based functional egg replacement. *Alpine Bio* harvested its first large-scale crop of soybeans, containing casein proteins, in Nebraska. *Jiva Technologies* (formerly known as *PlantX*) & *We Got Groceries* have launched a joint venture, *wegotgroceries.com*, that will be integrated with USA distribution centers across the country for delivery of shelf-stable, refrigerated & frozen healthy goods. *ASPIRE*, the technology development arm the Abu Dhabi government, ended its 3-year, \$15M competition, *XPRIZE: Feed the Next Billion*, designed to find structured, nutritious, affordable & versatile alternatives to chicken breasts & fish fillets; after many high-profile competitors (*Eat Just*, *ENOUGH Foods*, *Wild Type*, *Aqua Cultured Foods*, *The Better Meat Co*, etc.) dropped out & no winner was found. Supply chain software provider *Blue Yonder* is working to address a ransomware attack. The Senate passed the Beagle Brigade Act to use beagles to detect fruits, vegetables & meats arriving at USA ports of entry that could impact domestic crops. In Congress, the CURD Act (Codifying Useful Regulatory Definition) will help consumers better understand products using natural cheese making processes. *Maple Leaf Foods* is suing *Canada Bread*, claiming defamation by the *Grupo Bimbo* subsidiary tied to an industry wide bread Canadian price-fixing scheme. Pennsylvania grocery chain *Redner's Markets* has accused four frozen potato suppliers (*Lamb Weston*, *McCain Foods*, *J.R. Simplot* & *Cavendish Farms*) of having implemented coordinated price increases that allowed them to realize unprecedented margins. *Vitamin Energy* filed a lawsuit against *5-Hour Energy* parent *Living Essentials* seeking \$1B, claiming *5-Hour* has an unfair monopoly & utilizes illegal exclusive placement agreements with retailers. Brooke Rollins was nominated by the new President to head the Department of Agriculture, an appointment met positively by farm & cattle associations; Dr. Marty Makary was named to head the FDA. *Subway* named Carrie Walsh as its interim CEO. *Kroger* exec Stuart Aitken will take over as CEO/president of *Circana*. Struggling *Canopy Growth* has chosen *Mars* veteran Luc Mongeau as CEO. *Heritage Grocers Group* appointed Suzy Monford as CEO.

From *Market Force Information*, *H-E-B* ranked at the top in customer loyalty followed by *Wegmans* & *Trader Joe's*; *Lidl*, *Sam's Club* & *Hannaford* are the most trusted brands & *H-E-B*, *Hy-Vee* & *Publix* grabbed the most wallet share. Per *Popmenu*, 37% of consumers plan to order takeout or delivery from restaurants for their Thanksgiving dinner (up from 32% last year), with 5% planning to dine at restaurants (down from 17% last year); consumers expect to spend \$170 providing dinner to their families & guests. From the *National Retail Federation* & *Prosper Insights & Analytics*, consumer spending will reach a record this holiday season across gifts, food, decorations & other seasonal items. In Canada, 67% of consumers see eating sustainably as too costly, but the all-knowing *Sodexo Canada* says they are wrong. Egg dollar sales jumped 51% in October on avian flu concerns. *210 Analytics* (using *Circana* data) shows perimeter bakery sales rising 0.3% YOY in October, driven by a 0.5% increase in prices.

**MARKET NEWS:** Markets were higher for the week; the S&P closed over 6,000 for the first time & the DOW hit an all-time intraday high above 45,000. GDP came in at 2.8%. The YOY Core PCE was a sticky 2.8%. Home sales were lower than expected. The Chicago manufacturing PMI declined from 44.5 to 40.5 in October. Thanksgiving holiday sales rose 4% during the first day of the holiday weekend, per *Salesforce*.

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

THE LITCHFIELD FUND – Tom Malanga

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