



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



IT WAS A WARM AUGUST DAY. I was in the car listening to a local sports talk program. The hosts were chatting with a very irritated caller. The fan had a typical complaint - the Cleveland Browns' management & the Cleveland sports media were overhyping the team's prospects for the coming year. The message from management was the team would compete, be a contender, make the playoffs, perhaps even reach the Super Bowl. The caller was done with the 'rah-rah' & lies from management & media – done with being taken for a fool! *"I may not know what a good, Super Bowl team looks like, but I am from Cleveland,"* he said. *"I know when I am looking at a bad team!"*

BAD TEAM: More than any other city, Cleveland has a legacy of failed sports teams. Oh, the *Red Sox*, *Cubs* & *White Sox* fans like to whine about droughts & curses, but the other teams in these cities rang up championship after championship – the *Bruins*, *Patriots*, *Celtics*, *Blackhawks*, *Bears* & *Da' Bulls* won cups, crowns & rings year after year. Not so in my hometown. If the teams were not at the bottom of the standings, they were losing their bid for a championship with a Galbraithian spectacular epic failure! Of course, this caller did know what a good team looks like. A good team creates the standard by which you judge all the other teams in the league, including your own team. We all know how a good team looks, not just because they are winners, but because of how they play! The soon-to-be-retired-hall-of-fame veteran wide receiver who makes a key downfield block to open a lane to the endzone for his teammate. The team's best hitter, who with the score tied in the ninth inning with no outs & a man on second, lays to a sacrifice bunt to get the runner to third. The leading scorer, who with the game on the line & time running out, draws the defenders toward him just to drill a pass to an open teammate who shoots the winning basket! The old pro who gives advice to the young rookie destined to step into his cleats, sneakers or skates. Good teams play as a team & for the fans; the players sacrifice - taking one for the team. Bad teams play for the individual & the paycheck. A good team brings pride to a city & the fan base. A good team unites people across all walks of life – strangers will high-five & hug. Right now, America is being run by a bad team. We all know what a good team looks like. History gives us many examples. Washington, who navigated the tricky waters of federalism, respecting both states' rights & the Supreme court. Then he led by example, taking one for the team – stepping away from power to preserve the Constitution & the power of the people in a move no other world leader expected, but a move that they all feared. Lincoln's wisdom, bringing together a *"Team of Rivals"* to both win the Civil War & guarantee freedom to all individuals. He then worked to bring a divided country together, beginning with his second inaugural address, a 684-word masterpiece & perhaps the most important Presidential speech delivered at America's most critical time: *"With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in to bind up the nation's wounds, to care for him who shall have borne the battle & for his widow & his orphan - to do all which may achieve & cherish a just & lasting peace among ourselves & with all nations."* Teddy Roosevelt, demonstrating to the imperial world America's strength & benevolence. He allowed America's businesses to prosper while still protecting workers & families. Coolidge & Ike both believed in free capital markets & American exceptionalism. The standard of living for all Americans rose under both, while their teams traversed muddy post-war foreign affairs in an attempt to avoid the *'foreign entanglements'* of which Washington warned. Like Coolidge & Ike, Reagen believed in capitalism & individualism. But Reagen understood the scourge of sociofascism & the death, destruction, misery & poverty it had caused across the world. He bloodlessly brought about the eventual collapse of the Soviet Union & warned America as to how communism could be thrust upon our Great American Freedom. We do not need to study history to see how a good team wins for the American people - the fans! We can look back just a few years to see a good team that brought pride to America – raising the standard of living for all & keeping the world at peace. Today, *'the team'* is playing for itself – to stay in power, for personal gain, for foreign money & influence. They have destroyed American pride. They have enacted policies & violated the law to decrease family spending power, increase crime, collapse borders, encourage enemies, endanger lives, limit choices & freedoms, persecute critics, destroy election integrity, transfer wealth to foreign entities & promote divisiveness through their rhetoric & threats. Then they have the audacity to treat us like fools to tell us with incoherent speeches & through a compliant media that what we see & know is not true- that we are watching a good team! But like the frustrated *Browns* fan, we all know a bad team when we see one! Individuals become a team when they respect each other & work together toward a common goal. From NBA Hall-of-Famer & USA Senator Bill Bradley, *"Respect your fellow human being, treat them fairly, disagree with them honestly, enjoy their friendship, explore your thoughts about one another candidly, work together for a common goal & help one another achieve it. No destructive lies. No ridiculous fears. No debilitating anger."* Yet, this team lies, projects fear & anger. The American People, the fans, share common values & goals – health, prosperity, peace & the Freedoms granted to us by the Almighty & protected in our founding documents. With this common vision, America can succeed. From *The Little Prince* author Antoine de Saint-Exupery, *"If you want to build a ship, don't drum up people to collect wood, don't assign them tasks & work, but rather teach them to long for the endless immensity of the sea."*

INDUSTRY NEWS: *Roar Organic* raised \$10M from *Factory*. *Naturanic*, Brazil-based snacks made with local natural & organic ingredients, raised \$2M led by *Moriah Asset*. *Cultivated Biosciences*, yeast-based dairy-free cream, raised \$5M led by *Navus Ventures* with *HarkCapital*, *Founderful*, *JoyfulVC* & *Mandi Ventures* involved. *Vegetarian Express*, a vegetarian foodservice supplier, raised £15M from *NVM Private Equity*. *Umara Foods* raised \$3.8M for its seaweed alt-bacon & products led by *AgFunder* with *Alexandria Ventures Investments*, *Climate Capital Bio* & *Ponderosa Ventures* participating. Illinois will invest \$680M to create the *Illinois Fermentation & Agriculture Biomanufacturing Tech Hub*. *ProteinDistillery*, a German biotech fermentation producing *Prew:tein*, raised over €15M led by the Berlin-based *Green Generation Fund*. In France, *Bene Bono*, dealing with wasted organic produce from major supermarkets, raised €10M from *AVP*, *2050*, *Stride.VC* & *Project A Ventures*. *ABC Impact* invested in UK-based food waste company *Winnow*. India's *Rozana*, logistics & warehousing, raised \$22.5M led by *Bertelsmann India Investments* with *Fireside Ventures* participating. Singapore-based *AI Palette* raised \$5.7M for its AI-powered platform to help accelerate & de-risk the product innovation process; the round was led by new investor *Tin Men Capital* with *Exfinity Ventures* & *pi Ventures* involved. *Humble Growth* acquired a minority stake in *Momentous*, supplements & sports nutrition brand; terms were not disclosed. *JuneShine* is acquiring *Flying Embers*; Bill Moses will join *JuneShine's* board. Fresh produce provider *Foster* acquired *Greenville Produce*. *Sugar Foods*, services for foodservice, grocery, retail & restaurant brands will expand its offerings by acquiring *Concord Foods*. Fish health & product business *STIM* was acquired by Swedish investment firm *Summa Equity*. *Cibus Capital* raised \$645M to invest in mid-market & late-stage agrifood companies.

Kroger posted a strong 4th QTR with a jump in digital sales; the retailer is projecting 2024 growth. *Publix* had a down 4th QTR though growth for the year was strong. *Costco* beat 2nd QTR earnings but missed on revenue; the stock fell 8%. *Target* beat 4th QTR estimates & scored a big win on earnings, but same store growth slacked; management promised a return to growth. *HelloFresh's* stock price dropped 40% after a mid-year earnings warning. *Utz Brands* reported solid 4th QTR results & forecasted growth for 2024 with an increase in marketing expenditures. *Campbell Soup* reported a down 2nd QTR in sales & earnings, impacted by weaker consumer economics. *Black Rifle* reported sales growth & shrunk their loss in 4th QTR & for the full year while indicating a path to profitability. Canadian poultry & pork company *Olymel* & its parent group *Sollio Cooperative* finished 4th QTR by reporting a return to profitability in after a significant previous year loss. *SunOpta* increased 4th QTR revenue but extended its loss for the year. *Corbion* topped off a good year with a positive 4th QTR. *ADM* is delaying its 4th QTR & year-end reporting as the SEC requested investigation into certain accounting practices.

Whole Foods Market is introducing a new, quick-shop store format designed for urban neighborhoods. *Publix* plans to spend \$2.5B on capital investment. *ALDI* will open 800 new stores across the USA by the end of 2028. *Walmart* will offer delivery as early as 6 AM & offer an Easter meal at less than \$8 per person. *Target* will launch a paid membership program to compete with *Prime* & *Walmart+*. *Lidl USA* added four new c-suite executives to rev up its USA strategy. *Instacart* announced new retailers using *Instacart Storefront* e-commerce service, including *Canseco's Market*, *Harp's Foods* & *Price Chopper*. *Keychain* unveiled its AI-powered manufacturing platform for the packaged goods industry that enables brands & retailers to identify, select & manage manufacturer partners. *Placer.ai* & *dunnhumby* will add to their partnership with more services to retailers. *Source.ag* launched *Source Irrigation Control*, an autonomous irrigation solution. *Novel Foods Group* will launch a sweet protein production facility in the UAE, investing \$500M. *Vesta Foodservice*, fresh produce & groceries distributor, opened a new 72K sq. ft. distribution center in Las Vegas. *Walmart*, with milk processing plants in Indiana & Georgia, is planning a new facility in Texas. *Campbell Soup* debuted its first-ever LTO, *Grilled Cheese & Tomato Soup*. *Kraft Heinz* will introduce plant-based *Oscar Mayer* hotdogs & sausages in a joint venture with *NotCo*. *Nature's Path* will unveil a new line of organic, high-quality flours including gluten-free, whole wheat, keto & more. *Base Culture* launched *Simply Bread*, a shelf-stable gluten-free bread line. *Applegate* will transition to regenerative beef. *Kuli Kuli* will launch gummies & smoothies blends without moringa. Peter Rahal launched a new bar, *David. Yo Egg*, a Los Angeles-based startup with patent-pending tech for sunny-side-up & poached alt-eggs from plants, will launch on the west coast. *Perdue Farms* will introduce *Full Moon*, artisanal pet treats. *ButcherBox*, DTC meat & seafood brand, will launch a new pet food line, *ButcherBox For Pets*. Connecticut lawmakers will seek to ban the sale of energy drinks to consumers under 16 years of age. The FDA will allow a health claim that yogurt lowers the risk of Type II diabetes. Farmers in Poland continue to protest their government's restrictive green policies damaging their businesses & causing consumer food insecurity.

From *PYMNTS*, 58% of consumers across nearly every income level say they are cutting back on nonessential spending because of rising grocery costs. Per *GuestXM*, restaurant sales took a downturn in January due to cold weather & storms. From Australia's Deakin University, ultra-processed foods can reach 58% of diets in some developed countries & can raise the chances of 32 different diseases.

MARKET NEW: Markets pulled back but Chairman Powell raised hopes for a rate cut. A soft jobs report reflected downward revisions of previous months, making it 14 straight months of downward revisions! Fifty percent of the jobs created were in the government & government-controlled education & healthcare. Since January, 2021, the price of steak is up 26%, egg prices rose 71%, gasoline is up 38% & mortgage payments are up 60%!

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

V10issue38.03.08.24

The Litchfield Fund is a family owned & operated limited liability corporation. We do not solicit or accept investment from outside individuals or entities. Opinions contained in *All Ears!!* are ours & should not be considered investment advice or recommendations.