



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**"HAVE YOU HEARD THE NEWS,** it's all over town! If you ain't heard it boys, you better sit down. I got the story here, it's hot off the press. Brace yourself now & take a deep breath! Grab a hold of something, hold on tight!" With today's news media, it's hard to decipher the truth. Was Betty Lou's mom really mad? Was the media providing Betty Lou an alibi as she was committing other nefarious deeds? And what was really happening at the drugstore? Today's news media only offers mistruths, lies & creative writing! They cover the stories that coincide with their point-of-view or create a "news" story that reinforces their point-of-view! It's hard to know the truth in the news!

**TRUTH IN THE NEWS:** From the late 1860s through much of the 1870s, New York City & its Democrat Party (Tammany Hall) was controlled by the infamous William "Boss" Tweed. Tweed served briefly in Congress in the 1850s, but after the Civil War, he became totally entrenched in New York City politics, state politics & the business community. He served in the state senate & served in a leadership role on several city boards & commissions. In business, he was a board member, director or president of many of the city's railroads, utilities, hotels, banks & other businesses! He helped the richest men in the city make deals, taking his share as a kickback. He used these funds as bribes to ensure Democrat control of city politics. He controlled which politicians received donations from the city's wealthy. As the city's Commissioner of Public Works & a member of the Board of Audit, he controlled all of the city's expansion efforts. He embezzled as much as \$200M, more than \$5B in today's dollars. He 'paid' companies & workers hundreds of thousands of dollars a month, with almost every dime going into his pocket. He transferred assets to his relatives to hide his theft (that should sound familiar). Cartoonist Thomas Nash of *Harper's* & the *New York Times* began to wage a campaign against him, but their efforts failed until they were provided with leaked documents. His exposure caused an international crisis of confidence in New York City's finances, as many foreign investors held New York City Bonds. After this, journalism quickly changed. Within a decade *Yellow Journalism*, pioneered by Joseph Pulitzer, utilized sensationalized headlines & exaggerated facts. These efforts began to have both positive & negative impact on social & political actions & outcomes. By the 1930s, major media outlets ignored Nazi, Soviet & Imperialist Japan's atrocities while glorifying these evil regime's propagandized achievements. Movies (*The Front Page*, *It Happened One Night*, *His Girl Friday*, *The Philadelphia Story* & others) portrayed 'creative writing' newsmen (with a nod to Rosiland Russell) who were willing to manipulate the truth to get a headline. And things got worse throughout the 20<sup>th</sup> & 21<sup>st</sup> centuries, despite the efforts of Edward R. Murrow, Walter Cronkite, Woodard & Bernstein. These journalists worked to expose the truth behind political activities. Today, journalists & evil politicians seem to work hand-in-hand to destroy America! Governors & mayors in New York, California, Massachusetts, Illinois & other radical states shout about defending illegal aliens & illegal criminal aliens. They want to unmask enforcement officers which places our ICE, Border Patrol, DHS, FBI & other law enforcement (& their families) at risk of retribution by anti-American radicals! (The evil hypocrisy of it all – wear a mask to go to the grocery store in 2020 but unmask & be identified while arresting an illegal alien in a drug den!) The media, instead of berating these politicians' stupidity, jumps on board with headlines like: Maryland Dad Deported (He was a gang member & human trafficker); Man Killed by ICE (He jumped from a 30-foot high roof running from federal agents); Wife Cries As Her US Citizen Husband Arrested (He was slashing the tires of ICE & DHS agents' vehicles); Grandfather Dies In ICE Custody (He was actually in a jail in South America); 30-year US Citizen Deported (She was not a citizen & had overstayed her visa for 29 years)! The media is no longer an honest broker but just a pawn of wicked revenues. Let's continue, at least for those who don't dig below the headlines! The media & politicians told us tariffs would destroy the economy, raise prices, reduce retail sales, cause a recession, tank the stock market & increase the deficit. Also, coupled with deportations, there would be no one to pick the crops (Democrats in 1860 asked who would pick the cotton when Republicans wanted to free the slaves – get it?) & food prices would soar! Instead, we have a stock market at record highs; job growth; increased retail spending; lower prices on everything, including food; a booming economy & a budget surplus due to more than \$120B collected in tariff revenues. The media & the politicians are either stupid, lying or evil – there is no other choice! And this week, due to the release of classified documents, we all now know what many of us had already understood: In 2016, the sitting President of the United States of America committed treason, leading an effort with the highest level intelligence & law enforcement officials, the Democrat candidate & the Democrat party to influence the 2016 Presidential election outcome & then attempt to undermine & usurp the power of the incoming President! First, to not mar the end of his Presidency with a scandal, the sitting President ordered law enforcement **NOT** to investigate two additional thumb drives which proved he & the Democrat Presidential candidate (who we now know was on drugs for her psycho-emotional problems) communicated top secret information through non-secure emails & servers! Then, he instructed his intelligence community to construct & create intelligence – the infamous Russian Collusion Hoax – that ignored all the previous intelligence investigation that proved there was **NO** Russian Collusion in the 2016 election. This is enough to constitute treason & proper punishments to individuals at the highest levels of government! It is also very likely that we will see that much more of what we already know to be true will finally be proven, be it concerning illegal wiretapping; phony impeachments; The Modern Menzies; vaccines; the 2020 election fraud; January 6 entrapment; laptops; Chinese & Ukrainian bribes; autopen signatures; the 46<sup>th</sup> President's mental & physical acuity & so many more lies told by politicians & supported by the media. In fact, both the *New York Times* & *Washington Post* won multiple *Pulitzers* (You know, named for the guy who invented *Yellow Journalism*) for their reporting on the hoax! Our current President not only has sued & won lawsuits against the *Pulitzer* committee but also sued & won lawsuits against most of the major media outlets over their lies & misdoings during the 2024 election cycle. Indeed, Americans no longer have access to the truth in the news! There are no trusted sources, like Franklin's *Pennsylvania Gazette* or Thomas Paine's pamphlets. There are no reliable small town crusading editors, weekly news magazines, newsreels or nightly news! No one is saying, "Good evening, Mr. & Mrs. America from border to border & coast to coast & all the ships at sea. Let's go to press." The news that is 'Fit to Print' isn't printed & 'Democracy almost Died' three times in the darkness cast by the *Washington Post*. If they had tried to shed any light on the truth, per *EW Scripps*, the people may have found their way! Frankly, there is no *Plain Dealer* offering the truth & no one in Detroit or elsewhere has been standing 'On Guard since 1831.' It is the duty & responsibility of the Fourth Estate to bring moral certitude to the corruption that exists in politics & business, not to join in the collusion, the conspiracies & treason of a sitting US President & his cronies attempting to overthrow the United States of America. The media today is no better than the propaganda media of fascist Germany or Soviet Russia. From 20<sup>th</sup> century political sociologist, journalist & commentator Walter Lippman, who died in 1974, "*The present crisis of Western democracy is a crisis in journalism.*" The media was a willing accomplice to the fictional intelligence created by a corrupt (never vetted in 2008) President & all his men & women. The moral & ethical failure of the media is a failure of what is their guiding principle; from Lippman, "*There can be no higher law in journalism than to tell the truth & to shame the devil.*" But the devils were in charge & working together! Lippman also wrote, "*Ours is a problem in which deception has become organized & strong; where truth is poisoned at its source; one in which the skill of the shrewdest brains is devoted to misleading a bewildered people.*" But the shrewdest minds were actually the common men & women of America, the rabble that the media & corrupt politicians deplore! Last November, America's so-called rabble elected a moral & ethical leader. Now good & honest people are exposing the crimes of the last 10 years & the chickens have come home to roost! IYKYK!

**INDUSTRY NEWS:** Zero-sugar soda *NO CAP!* raised \$3M. *Quorn* raised an £18M investment from owner *Marlow Foods*, part of *Monde Nissin*. *Arrowtown*, vodka sodas, secured \$530K in funding. *Jot*, a DTC coffee concentrates, secured over \$8.5M from undisclosed investors. *Branch Venture Group* invested in *Leaven Foods*, a biotech company developing shelf-stable, natural microbial blends for artisan & industrial baking. *HOPE Hydration*, which provides filtered water through connected refill *HydroStations*, secured \$20M led by *Pentair plc* with participation from *Burnt Island Ventures*. *AG Barr* acquired a majority stake in *Innate-Essence*, parent company of functional beverage brand *The Turmeric Co*. Britain-based faux chocolate firm *Win-Win* raised £3M led by *Oetker Collection & FoodLabs*; others included *Mustard Seed Maze*, *Gota Ventures*, *Paulig & Kapital*; the company signed a partnership with *Martin Braun Gruppe* for coatings. Spanish indoor farm *Néboda* raised €1.84M from *Clave Capital*, *UNIRISCO*, *Xesgalicia*, *Eatable Adventures* & *CDTI Innovación*. Dutch biotech company *Solynta* received a €20M venture debt deal from *The European Investment Bank* to accelerate its disease resistant potato varieties. *Mara Renewables* has raised \$9.1M in funding from *S2G Investments* to expand its algae-based omega-3 platform. *Kaley Cuoco's* pet wellness brand, *Oh Norman!*, raised \$2M from *Mars Petcare's Leap Venture Studio*, *Brown University*, *Incubate/NQV8*, *Golden Seeds* & *1731 MGMT*. *Health-Ade* was acquired *Generous Brands*, a portfolio company of private equity firm *Butterfly Equity*, for approximately \$500M. *Tia Lupita* was acquired by San Antonio based *Vilore Foods*. *Keurig Dr Pepper* acquired 100% of drink mix manufacturer *Dyla Brands* in which they had partial ownership. *The Compleat Food Group* purchased *Freshpak*, a private-label maker of egg products, & food-to-go snacks. In Germany, the *Oetker Group* will acquire baking mix manufacturer *Kathi*. *Link Foods APAC*, the Australian arm of *Jack Link's*, bought *KOOEE! All Natural Snacks*, an Australian producer of all-natural meat snacks. *Mark Foods*, a seafood importer, processor & marketer, acquired *Bristol Seafood*, a seafood wholesaler & processor. *PAK Quality Foods* acquired *Formosa Foods*, a family-owned food distributor in Dallas. Canada's *Dollarama* closed on its acquisition of Australia's *The Reject Shop*. Two AI ag-robotics firms merged as San Jose-based *Bonsai Robotics* acquired *farm-ng* for an undisclosed amount. Gas fermentation company *NovoNutrients* will look for a buyer for its assets. *Planetarians*, faux-meat made from spent liquid brewers' yeast, will auction its assets to pay outstanding debts. *C&S Wholesale Grocers* will look for \$400M through a leveraged loan sale to help finance its \$1.77B acquisition of *SpartanNash*.

*Loblaws's* 2<sup>nd</sup> QTR sales & earnings were higher, driven by performance at their deeper discount locations. *Coca-Cola* beat 2<sup>nd</sup> QTR estimates, though volume dropped in North America; *Coke Zero* & *Fairlife* showed gains. *KDP* beat 2<sup>nd</sup> QTR targets; energy drinks & *Black Rifle* coffee helped to improve market share. For the first six months, *Nestlé's* organic growth was higher than expected, but overall, sales were down; *Nestlé* will review its underperforming vitamin business. *Cal-Maine* soared past 4<sup>th</sup> QTR targets, with more than \$1B in revenue & the stock hit a record high. *Bimbo Grupo* had a down 2<sup>nd</sup> QTR driven by exchange rates & weak demand. Sales were higher in 2<sup>nd</sup> QTR for *Oatly*, but its YOY loss widened; weak North American results caused management to lower full year guidance.

*Sprouts Farmers Market* will launch a customer loyalty program. *Lidl* will open its 1000<sup>th</sup> Great Britain store later this year. Kansas City's government run grocery store *Sun Fresh* is on the verge of closing per national reports, losing almost \$900K in 2024 & once again proving the failure of socialism & communism! *Food Lion* has deployed *Flybby* to optimize its curbside pickup program. *H-E-B* launched a robot delivery pilot in Austin, Texas, with autonomous vehicle delivery company *Avride*. *99 Ranch Market* will partner *Temu* to grow its eCommerce business. *DeCicco & Sons* deployed *Simbe's* store intelligence platform. Both *Nestlé* & *Hershey* are planning to hike prices significantly. *Pepsi Prebiotic Cola* will launch online this fall & in retail stores early next year & *PepsiCo* will launch *Gatorade Hydration Booster Relax* to help unwind & relax. Also, *PepsiCo* will be looking at streamlining operations to reduce costs & improve productivity. *Missions Foods* is launching gluten-free chickpea tortillas. *Hero Bread* is adding a fiber-packed low-carb pasta SKU. *Barry Callebaut* will explore fake cell-based chocolate production. Faux meat *Mission Barns* will launch in 3<sup>rd</sup> QTR having received USDA approval. *Beyond Meat's* whole-cut mycelium faux-steak filet will launch at USA restaurants. *GoodPop*, *LesserEvil*, *Quinn* & *Evergreen* have officially launched the *Good Food Collective (GFC)*, a coalition of leading food brands, organizations & experts taking bolder steps to advocate for greater transparency, higher standards & innovation in the food industry. *Pilgrim's Pride* will invest \$400M in a new Georgia prepared foods facility that will add 630 new jobs. *PepsiCo* will close a Detroit plant resulting in 83 layoffs. *Grupo Bimbo* will invest more than \$2B in operations across Mexico from 2025 to 2028. *Westrock Coffee* will open a 525K sq. ft. facility in Conway, AR. *GEA* invested \$20M in a second Wisconsin site to scale the production of alternative proteins & sustainable food solutions. *Bay State Milling* will close its Woodland, CA, facility to optimize its operations & focus on ingredients poised for growth. *Costco* will open its first technology center in India in Hyderabad, employing 1000. *Lactalis Canada* will cease operations at its plant-based beverage facility in Sudbury, Ontario, which was converted from a dairy operation less than 18 months ago. In Iowa, 200 *JBS* workers had their visas revoked. *Marini Foods* is recalling over 65 salami & cacciatore products due to an ongoing salmonella outbreak in Canada. More than 100K bars from *Rich's Ice Cream* were recalled due to listeria risk. *PepsiCo* has reportedly agreed to remove artificial dyes & flavors from its snacks, including *Cheetos* & *Doritos*. *WK Kellogg* will remove artificial colors from its cereals. *Coca-Cola* will offer a real sugar offering thanks to President Trump bringing attention to the matter. *The Consumer Brands Association* is encouraging food & beverage manufacturers to remove Blue #1 & #2, Yellow #5 & #6, Green #3 & Red #40 by the end of 2027. *Lynsi Snyder*, the president & heiress of *In-N-Out Burger*, is moving out of California to the new headquarters in Tennessee, stating California is not a place to raise children. California's \$20 minimum wage, enacted a year ago, has resulted in the loss of 18K fast food jobs & caused a 2.3% to 3.9% increase in the sector's unemployment rate. Congress is looking at a bill that prevents a single state's rules, like California Prop 12, from affecting other states' meat & farm production; the bill is named *Save Our Bacon*. The USDA is continuing with plans to move 50% of its workers out of the DC cesspool to parts of the country where they will be closer to the American citizens they serve. *MGP Ingredients* named *Julie Francis*, former *COO at Shwan's*, as president & chief executive officer. *Subway* named *Jonathan Fitzpatrick* as CEO, formally of *Driven Brands* & *Burger King*. Executive turmoil continues to plague *Market Basket* in the aftermath of board review of various issues & the firing of two more executives. *Heritage Grocers* CEO *Suzy Monford* stepped down after less than a year. Former *Nestlé* executive *Steve Presley* was appointed CEO of *KKR* beverage manufacturer *Refrresco*.

*Supermarket News* named *Lowes Foods* as its 2025 *Retailer of the Year*. From *Placer.ai*, *ALDI*, *Trader Joe's* & *Lidl* are gaining foot traffic, likely due to customer perception of value offerings. Per the *Private Label Manufacturers Association (PLMA)*, private label dollar sales rose 4.4% YOY through June 15 & unit sales increased 0.4%; national brands saw a dollar sales increase of 1.1% & unit sales decreased 0.6%. From *Kantar*, strawberries & cream sales in Britain during Wimbledon rose 28% & 16%, respectively. Also in the UK, *IGD* reports that UK food inflation will peak at 5.1% in late summer 2025, significantly outpacing general inflation. According to *Mintel*, 60% of consumers across all generations are concerned about processed foods, while 34% of USA adults say that aside from price & taste, a product being highly processed is a top concern when purchasing a food or beverage. Sweet corn prices are surging; avocado prices are softening & cherry prices are plunging to record lows. Blueberry harvests are above expectations. USA tomato orders have increased in just a few days, due to the 17% Trump tariffs! Australia has approved USA beef imports.

**MARKET NEWS:** Markets set new records throughout the week & the S&P500 & Nasdaq ended the week at new highs. Investor confidence in the FED continues to shrivel; Chairman Powell appeared to be completely unaware of the FED remodel budget overrun. The consumer sentiment index rose in July as retail sales grew & inflation expectations fell. Jobless claims were lower than expected. Home sales hit a nine month low. The President signed trade deals with the Philippines, Indonesia & Japan, with Japan committing to \$550B in USA investment, allowing USA beef imports, & buying \$8B of American rice!

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

THE LITCHFIELD FUND – *Tom Malenka*

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