



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



WHEN OUR SHIP COMES IN! When we hit the jackpot! When we strike gold! When the tide turns! When the pieces fall into place. When the stars & planets align! The planets will align later this month. As the sun sets in the west, six planets will be visible on the horizon to the naked eye. Mercury, Venus, Jupiter, Saturn, Uranus & Neptune will all be visible, a celestial rarity. Humans have always tied their most impossible dreams to some unusual event, some rare stroke of luck that will result in a life altering moment. Some humans sit & wait for pigs to fly, or bet it all on a fiery horse, wanting Rick Blaine to acknowledge: *"It seems that destiny has taken a hand."*

DESTINY AND HORSES: From the earliest moments, man has turned his sights to the heavens to seek his fate & fortune. Our caveman friend Thuk often searched the skies, looking up at the nighttime glitter for the answers to his two most important questions – *What & Why!* It's not surprising that our earliest ancestors thought the stars would provide them an answer to their questions, their problems, their existence. They lived in unforgiving times. There was danger everywhere: wild animals, warring neighbors, disease, sickness, & a bewildering existence in a raw, untamed, harsh & barren wilderness. The movement of the stars, the precision & predictability, probably provided a sense of security, of assuredness, even stability, as they fought their way through life. Long before Newton, Galileo, Copernicus, Kepler & others began to explain why the Earth, the moon, the planets & stars moved through the skies in a predictable pattern, our earliest ancestors knew the skies were special. The sun came up & went down each day & the moon went through a series of phases, growing to large & round then slowing disappearing, only to reemerge a few days later. They saw patterns in the stars, some that looked like the animals in their wilderness, & one star that always seemed to be in the same spot. They could rely on the stars! In their crazy world, where a sabretooth tiger might wander in their camp & eat a child; when no rain fell from the sky & therefore no grains or berries in the forest or when the Earth shook or the far off mountain suddenly spouted fire, the stars were honest, they were true, they were dependable. And because the stars were reliable, legends & stories arose! When the one bright star was close to the moon, there was a prosperous hunt! When that mysterious light rocketed across the night sky, a new fishing spot was found with those fatty pink fish! When the stars formed the water buffalo high in the sky, the deer were plentiful! So it's no wonder that early man believed his fate, his fortune, his future, lied in the stars. Archeology tells us as far back as 25,000 years ago humans were tracking the seasons & constellations on the cave walls to prepare for the planting season & track the migration of the herds. It was the Babylonians, in the third millennium BC, that began to use the stars to foretell the fortunes of their empire. In fact, many of the great civilizations, Greece, Egypt, Rome, Mayan & across Asia, tied their fortune in battle, business, construction, trade & treaties to what the stars foretold. It's a good time to attack the Persians, the stars are favorable. Do not make a treaty with Sparta, the stars say they will not be honest. Sure, Pharaoh, build that temple, the stars are in alignment. In many ways, early astrology was a forerunner of true astronomy. Those who watched the stars were able to tell farmers when it was good time to plant, when the moon would be full to hunt or travel, when the days would get longer & warmer. And while most of us know the stars, the zodiac signs under which we are born, the turn of a tarot card, the break of a cookie, the spin of a wheel, the pull of a lever, five numbers & a kicker or \$2 on a longshot will unlikely determine our future, most of us still find ourselves believing we have a fate or destiny. Something, a goal, a purpose, a mission to fulfill. That our future lies somewhere beyond where we are today. Many of the great minds of history - learned, sensible & intelligent people - not just believed in fate, but a fate destined by the stars. Shakespeare believed in destiny determined by the stars, from King Lear, *"It is the stars, The stars above us, govern our conditions,"* & from Julius Caesar, *"The fault, dear Brutus, is not in our stars, but in ourselves, that we are underlings."* While the ancients looked to the sky for the answers, humans evolved. The Stoics very much believed in fate, that we as humans can only react by making the best of what fate had planned for us. From Marcus Aurelius, *"Whatever happens to you has been waiting to happen since the beginning of time."* Virgil must have believed in this predestination, writing, *"Fate will find a way."* And while the Stoics believed in fate & destiny, they did believe that one could make the best of it. From Epictetus, *"Make the best use of what is in your power, & take the rest as it happens... No great thing is created suddenly."* Modern man may believe that while fate can determine a starting spot, it does not control the outcome, there is an element of self-determination. From Emerson, *"Once you make a decision, the universe conspires to make it happen... Shallow men believe in luck or in circumstance. Strong men believe in cause & effect,"* a belief that a person is capable of choosing or making their own destiny. Williams Jennings Bryant would concur, *"Destiny is not a matter of chance; it is a matter of choice."* But it is foolish to believe that it takes only ability, intelligence, drive or purpose to reach our destiny. One must always be prepared to take advantage of luck or opportunity, those moments in our lives when *"It seems that destiny has taken a hand."* Success comes from recognizing that moment, when the stars align & a window opens. From 17th century Spanish priest, Baltasar Gracián, *"Know how to wait, but when the time comes, know how to act,"* a quote that seems to cross the ages: combining the wisdom of the ancients to trust the stars & the cosmic order, the patience of the Stoics to accept one's fate & the self-determination philosophy of modern man! The wise man knows success in any endeavor takes wisdom, intelligence & just a bit of chance. Ancient Chinese philosophy, cosmology, astrology, more clearly aligns with this modern view; that our destiny is never purely passive. The stars, these cosmos, & their movement may set the conditions, but it is our ability & drive that will determine the outcome. The stars align this Lunar year as the five classical elements combine with the 10 heavenly stems & the 12 Earthly branches to give us a 60-year rarity, the year of the Fire Horse. The Horse symbolizes vigor, movement, independence & speed. Fire intensifies those traits, providing drive, dynamism, & decisiveness to turn the chance of fate. The horse provides the motion & the fire provides the energy, but it is up to us to ride the Fire Horse boldly into our future, perhaps the future that was destined for us. So the planets & stars may be aligning, we may be sitting on a good mount full of energy, vigor & fire, but it is us, as the jockey, to ride patiently, holding out for that moment when the horses in the lead part, & if the moment is right, drive down the track to the finish line. The great jockey understands Gracián comments: trust the timing as the ancients would, have the Stoics' inner discipline to know you are ready when the time comes, then act to create the future you have been preparing for & want. Remember, it's not the fire in the horse, it's the fire in the jockey!

INDUSTRY NEWS: Athlete backed *THRONE Sport Coffee* raised \$10M & will partner with *Big Geyser* to expand distribution. *Just Ice Tea* raised \$9M from *Taste Tomorrow Ventures*, *Polar Strategic Ventures* & private investors. Belgian faux coffee startup *Koppie*, coffee alternative from peas, raised an undisclosed sum from *DOEN Ventures* to build 1,000-tons of capacity in 2026. In Egypt, eCommerce platform *Breadfast* raised \$50M backed by *Mubadala Investments*, *SBI Investments*, *Olayan Financing Company* & others. *QuickKart*, a UAE-based fresh dairy & farm produce eCommerce platform, raised \$1.5M led by *Orbit Ventures*.

In Japan, *Nihon Agriculture*, a production to sales business for Japanese agricultural products, raised \$8.4M from *Suzuyo & Co.*, *Mitsubishi UFJ Capital*, *DG Resona Ventures*, *Aizawa Investments*, *Pegasus Tech Ventures*, *Awa Bank Capital*, *Sala Corporation*, *Hokuyo SDGs Promotion Fund & Meister Engineering*. Restaurant commerce platform *inKind* raised \$450M in funding from a variety of investors. *Kubota* led a €6.5M investment & gained a distribution agreement with Norwegian precision spraying robotics platform *Kilter AS*; the round also included existing investors *SBG Invest AS*, *Pymwycim & Nufarm*. Brazilian geospatial AI intelligence agribusiness *BemAgro* raised \$5.8M led by *The Yield Lab Latam*; *Grupo Colorado*, *CNH*, *Atvos & Agroven* also participated. *Paket Mutfak*, a Turkish cloud kitchen software provider, raised \$3.8M to support its ongoing expansion; the round included *Nokta Yatırım Holding*, *Ünlü & Co*, *Firat İşbecer*, *Sip & Bite GSYF & Corsini Global*. *The Giant Company* will acquire *Everett Foodliner & Saxton Market*, two grocery stores located in Bedford County, PA. *Nestlé* will sell the remainder of its ice cream business to *Froneri*, a joint venture created by *Nestlé & PAI Partners*, which acquired *Nestlé's* USA ice cream business for \$4B in 2019. *Hormel Foods* will sell its whole-bird turkey business to *Life-Science Innovations (LSI)*. Five months after ending its pursuit of *Gluten Free Nation*, *Eshbal Functional Food* acquired the baker for \$736K. *Saputo* will sell 80% of its Argentina division to *Grupo Gloria* dairy & food holding company *Gloria Foods* at a suspected value of \$630M. *Ford Gum (Big League Chew)* will acquire *Military Energy Gum (MEG)*. In Canada, *Restart Life Sciences* will acquire cereal maker *Holy Crap Foods* for \$1M from *Plant&Co Brands*. Continuing above the 49th parallel, *South West Terminal*, grain handler & crop services, acquired *Solo Italia Fine Pasta*, a pasta & pizza manufacturer. I Love Produce acquired *Garlic King & Canada Garlic*, pass me the warm bread & butter please! India's *Reliance Consumer Products* acquired a majority stake in *Goodness Group*, an Australian beverage company. Agri-food company *Cerealto* divested its pasta business in Spain to Portuguese food producer *Cerealis*. Kelp-based snack brand *Sea Monsters* is winding down operations after nearly seven years on the market. *Believer Meats* will begin liquidation. *BrewDog*, with revenues of £357M & a £57M loss in 2024, appointed *AlixPartners* to explore options for the business.

Operating income rose 10.8% for 4th QTR at *Walmart*; revenue was up 5.6% as global eCommerce sales grew 24%. *Sprouts Farmers Market* posted a beat on 4th QTR EPS estimates, but net sales missed despite 8% year-over-year growth; management expressed a slow start to the fiscal year. *Flower Foods* beat 4th QTR adjusted EPS projections, but a tough 2025 has management conducting a comprehensive review of operations & brands. *Utz Brands* reported 4th QTR earnings in line with estimates; the company will look to buy back up to \$50M in stock. *General Mills* lowered guidance as consumer demand for highly sugared cereal wanes. *Fresh Del Monte* posted a 4th QTR sales improvement with margin expansion & adjusted EPS growth. With a 32% increase in 4th QTR earnings, *DoorDash* saw revenue increase 38%, net income 51% & adjusted EBITDA 38%. *Dutch Bros.* closed a stellar 2025 with 4th QTR net income at 17¢ per share up from 3¢ per share & revenues up 29%.

Amazon is planning a second large store format in Chicago. *The Fresh Market* opened a location in Aventura, FL. *Buc-ee's* will make its Ohio debut in Huber Heights, just north of Dayton. *Whole Foods Market* opened its second Northwest Arkansas location in Rogers; the store features more than 120-plus local products. *Weis Markets* opened a new store in Waldorf, MD. *Trader Joe's* announced eight new stores across Louisiana, Georgia, Florida, Kansas, Texas, Washington & Arizona. Philadelphia-area specialty grocer *Di Bruno Bros.* closed three store locations. *Tapatia Supermarkets* opened its fifth Palm Beach County location. *The Fresh Grocer* opened its first NYC location in Brooklyn. *Ahold Delhaize* broke ground on its new \$860M distribution center in North Carolina. *Albertsons* will pilot with *OpenAI* to explore how artificial intelligence can further augment its advertising strategy. Likewise, *Target* will look at advertising through *OpenAI's ChatGPT*. *7-Eleven* is expanding its frictionless checkout pilot using *AiFi* computer vision technology in select USA locations. *Associated Wholesale Grocers* will revamp forecasting & replenishment across 3,500 member stores with the *RELEX* tech platform. *Nestlé USA* is rolling out a new functional beverage line for its *Maison Perrier* brand; *The French Kiss* sparkling water line will have prebiotics, 6 grams of fiber & 1 gram of added sugar per serving. *Pepsi* has launched a prebiotic soda nationwide. *Smucker* will upgrade *Uncrustables* to have a 5-day refrigerated shelf life to allow consumers to enjoy the product without waiting for it to thaw. *Simple Mills* earned the Non-UPF Verified Standard certification. *Blue Diamond Growers* will launch its first beverage offering under its *Blue Diamond* brand with an almond milk line in four varieties. *Laird Superfood* will launch a line of blends featuring dairy. *Just Salad* has introduced *Build Your Own Market Plates*, as it continues to move away from the perception it is *Just Salad*, as its name conveys. *General Mills* opened a new \$11M *Pillsbury* manufacturing plant in India. *Smithfield Foods* will replace its existing pork processing plant in downtown *Sioux Falls* with a new facility for packaged meats & fresh pork processing, investing \$1.3B over the next three years. An industrial fire & explosion at the *Koch Foods* processing plant in Fairfield, Ohio, claimed one life. *Walgreens* announced plans to lay off some six hundred workers in Texas & Illinois. *Breakthru Beverage Group* is restructuring its operations & cutting 500 jobs following a strategic review. Craft brewer *Tilray* will be the USA licensing agent for *Carlsberg* beer. Over three million pounds of chicken fried rice sold at *Trader Joe's* was recalled due to glass contamination. The USDA is proposing faster line speeds for poultry & pork processing facilities. Brad Reese, grandson of the iconic *Reese's Peanut Butter Cup* founder, sent an open letter to *Hershey* accusing the company of replacing the chocolate & peanut butter with lower cost alternatives. *Halfday* is facing a class action as gut-healthy & good for your gut. Nicolas Amaya is the new president of *Kraft Heinz North America* as the company plans its turnaround. *Carbone Fine Food* appointed Jeff Stoekel as president; he previously held positions at *Stumptown Coffee Roasters*, *LesserEvil & ButcherBox*.

From *YipitData*, *DoorDash* is now #1 in USA third-party grocery & retail order volume. Per *dunnhumby*, *Walmart's* grocery penetration rose 6% to a record 72%, more than 2.5 times the reach of second-place *Dollar General*. Per *Grand View Research*, the functional beverage market will grow \$100B to \$248B by 2030. During 2025, hot cereal/oatmeal category totaled \$1.93B, down 3.7% with unit sales falling 1.9% per *Circana*. The *National Restaurant Association* projects moderate 2026 growth with total restaurant & foodservice sales projected to reach \$1.55T while restaurant operators are forecasted to add more than 100,000 jobs. Also from the *NRA*, 26% of restaurant operators are incorporating AI into their business. USA dairy exports jumped 15% in 2025, with \$9.51B shipped to foreign countries. From *CoBank*, USA soybean acreage is expected to increase 6% in 2026. Celery supplies are lower due to California weather.

MARKET NEWS: Markets were higher this week, though strong economic data led to concerns of a Federal Reserve interest rate hike to slow the Trump economic plan before the midterms to help bring about the rise of Democrat led sociofascism. Speaking of which, the Democrat led 4th QTR government shutdown, intended to harm Americans did exactly that, as 4th QTR GDP came in at 1.4%. SCOTUS also showed their disdain for the American people, ruling against President Trump's use of IPPEA to place tariffs that will help American workers & businesses & protect the Nation; Justice Thomas, in his dissent, clearly explained the Constitutionality of the President's tariff plan & pointed out the mistakes of the Supreme Court's lesser minds. The Administration will institute specific tariffs as previously approved by the Supreme Court for other Presidents not named Trump; tariffs will remain in place to Make America Great Again! December PCE came in at 2.9%. Initial jobless claims were below expectations, though continuing jobless claims were 9K above estimated. The Administration signed more America First trade deals, this time with Taiwan & Indonesia, which will open the market for meat & poultry.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

V12issue36.02.21.26

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.