



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



HAPPY NEW YEAR! Yes, we mean it when we say it! We want it to be a happy year for us & all those we care about. We want dreams fulfilled, to find time to enjoy life & the fruits of our labor, rest peacefully at night & mostly, live a healthy life & be happy! Some people form actual resolutions, like joining a spin class, signing up for ballroom dancing lessons or posting a diet on the refrigerator, as though everything will change when the clock magically strikes midnight. Some of us simply say, *"I will try to eat better next year, read more, walk more, call old friends, worry less & smile more,"* providing self-protection if we do fail. We are the cynically optimistic!

CYNICALLY OPTIMISTIC: Cynicism is among the earliest Greek philosophies, arising in the Classical period & lasting through the first centuries of the Roman Empire. Early cynics thought virtue came through living a simple life, in concert with how nature had intended. Early cynics lived a life of austerity, shunning wealth & power & refusing to conform with societal or government conventions. They publicly denounced the rules & standards that civilization had placed on humans. Antisthenes, a student of Socrates, was the founder of Cynicism. He believed inner strength & self-control led to a virtuous life, lived simply by rejecting pleasure, wealth & fame. He believed that hardships helped make a man self-sufficient. His name is derived from two Greek words, anti (against/opposite) & sthenos (strength), likely reflecting his philosophy of opposing all the trappings, rules & oppression of government & a civilized society. Diogenes is the famous cynic. He supposedly chose Cynicism after being accused by officials of a plot to commit fraud by debasing the currency & was then forced to live in exile, though historians question the story. Diogenes is noted for living in the center of Athens in a large ceramic jar & roaming the streets with a lit lantern in daytime looking for a wise & honest man. Then came Crates of Thebes, who gave away a large family fortune to live a life of Cynic poverty in Athens. He was well respected by the people of Athens & is noted for being the teacher of Zeno of Citium, who founded Stoicism, the school of philosophy followed by **ALL EARS!!** favorite Marcus Aurelius. Cynics are ancient Greece's version of Henry David Thoreau, writing *Civil Disobedience* & choosing to live 'off-the-grid' (as it were for the times), at Walden Pond. (One wonders, if much like Thoreau being tracked down by the county tax collector, if the tax collector came banging on Diogenes' ceramic jar to get the government's piece of the pie!) Modern cynicism differs from its ancient form in that it rejects society by seeing self-interest behind or the cause of other peoples' actions. It contains a healthy sense for not trusting peoples' motives, believing that people lack ethics or values that should be commonplace. The modern cynic recognizes the hypocrisy between what people say & what they do, takes nothing at face value & is always searching to find the truth in others' words or actions. Pessimism & cynicism are quite different. A pessimist just naturally feels something won't work, believes something will go wrong, that everything is going to turn out bad & sees only the bad part of everything that happens. A cynic feels the same way, but has a reason based on their past experiences, knowledge & human interactions, & is constantly waiting for the other shoe to drop! So cynics are not just cautious, they are always wanting to dig deeper to understand peoples' motivations. Noted cynic H.L. Mencken wrote, *"The cynics are right nine times out of ten."* In our youth, we are optimistic & hopeful. We are idealistic & romantic. I was certainly more optimistic in my youth, though always a bit of a cynic, perhaps due to my upbringing & a keen, active, rational mind. I have certainly gotten more cynical as I have aged, beaten down by life's lessons & encountering people in my life with truly evil motivations! Comedian George Carlin said, *"Scratch any cynic & you will find a disappointed idealist."* From Rick Bayan, author of the *Cynic's Dictionary*, *"Cynic: an idealist whose rose-colored glasses have been removed, snapped in two & stomped into the ground, immediately improving his vision."* Cynics live in reality. From American comedian & screenwriter Woody Allen, *"Cynicism is reality with an alternate spelling."* From American playwright Lillian Hellman, *"Cynicism is an unpleasant way of saying the truth."* George Bernard Shaw asked, *"What is the use of straining after an amiable view of things, when a cynical view is most likely to be the true one?"* This is why the original cynics, the modern cynics & even the stoics thought that virtue & happiness could only be found within themselves. They understand & take fully into account the cruelty of the world. Of course, there are many who demean cynics, including Emerson, Angelou, Nin & Stowe, though a cynic would question their motives! From Harriet Beecher Stowe, *"The cynic puts all human actions into two classes: openly bad & secretly bad."* To a cynic, this is completely true! Keeping our youthful optimism as we get older is not just hard, it is almost impossible! From Voltaire, *"Optimism is the madness of insisting that all is well when we are miserable,"* & Walter Winchell, *"An optimist is someone who gets treed by a lion but enjoys the scenery."* The term 'cautiously optimistic' supposedly first appeared in print in the United Kingdom in 1901, but it came into frequent use in politics & business in the 1980s when President Ronald Reagan, perhaps one of the most positive & hopeful Presidents to ever hold office, used it frequently. But

Reagan may have been a bit of a cynic, using the Russian proverb '*Doveriyai, no proveryai*' in nuclear disarmament negotiations with Mikhail Gorbachev, thereby popularizing the phrase '*Trust, but verify*,' a much more cynical perspective! So as many philosophers, poets, authors, songwriters & politicians have told us, we will embrace the future bravely, filled with hope & wishing the best for everyone. English philosopher Herbert Spencer tells us, "*The wise man must remember that while he is a descendant of the past, he is a parent of the future.*" And as a parent of the future, we will cynically remember to put a bike helmet on the future, give it a curfew & check with (& these day, check on) the teacher, because there is danger out there! No matter what the future holds, like a good cynic, we will know our peace & happiness lies within us, far from the corporeal world, recalling what Shakespeare wrote somewhat cynically in Julius Caesar, "*It is not in the stars to hold our destiny but in ourselves.*" And if our cynicism proves us to be correct & our hopes for the future are squashed, we won't bask in the glory of a well-deserved, "*Yep, I thought so.*" Instead, we will dance through whatever misfortune the future bestows, for as Voltaire is credited with saying, "*Life is a shipwreck, but we must not forget to sing in the lifeboats.*" But it may be wise for everyone to heed the caution & warnings of the cynically optimistic, who may be just channeling science fiction writer Ray Bradbury who said, "*I don't try to describe the future. I try to prevent it.*"

INDUSTRY NEWS: Celebrity athlete founded Winnie Capital invested in hot sauce *Hank Sauce*. DTC brand *Hot Box Pretzels* received an investment from *Founders Row*. Faux-meat maker *Mosa Meat* raised €15M from *Invest-NL*, *LIOF*, German meat producer *PHW Group* & Jitse Groen, the founder of *Just Eat Takeaway.com*. *Lion Beverages*, specialty beverage producer, raised \$150M for continuing operations led by *Apogem Capital*. Crisp, retail data platform, raised \$26M led by *Paine Schwartz Partners*, with *Blue Cloud Ventures*, *FirstMark Capital* & *Cox* among the participants. *L Catterton* acquired a minority stake in India-based packaged foods company *Haldiram's*. *Laird Superfoods* acquired *Navitas* nutritional powders, berries, seeds & more for \$38.5M in cash; the deal will close in the first quarter. *Patriot Pickle* acquired *Cosmo's Food Products*, a producer of pepper products & antipasto products. *Diageo* will sell its 100% stake in *Diageo Kenya Limited*, which holds a 65% interest in *East African Breweries*, to Japanese brewing company *Asahi* for \$2.3B. In Italy, *Campari Group* will sell *Amaro Averna* & *Zedda Piras* to *Illva Saronno* for \$117M. *ICL* will acquire *Bartek Ingredients*, a global supplier of food-grade malic & fumaric acid. *Krispy Kreme* will sell its Japan operations to *Unison Capital* for \$65M. Florida distributor *Ingles Produce* & California distributor *Martinez & Sons Produce* have filed for Chapter 11 bankruptcy. Canadian plant-based seafood startup *Konscious Foods* ceased operations. The European Union approved *Vandemoortele Group's* proposed acquisition of *Délifrance* from French grain cooperative *Vivescia Industries*.

In 2nd QTR, *Conagra* reported a 7% sales decline & a net loss of more than \$600M on an almost \$1B impairment charge, due to significant events impacting goodwill & brand equity over an extended period; adjusted earnings were 45¢. *Conagra's Ardent Mills* investment earnings also reported deep declines for 2nd QTR. Sales rose slightly for *Lamb Weston* in 2nd QTR but adjusted earnings fell; the company confirmed full year earnings. *Darden* saw positive across the board growth in 2nd QTR driven by menu innovations at *Olive Garden*.

Instacart ended its AI pricing testing. *Natural Grocers* launched a private-label meat snack line. *Chipotle* will introduce a high protein menu across its chains this week. *Jim Beam* will pause production at its main Clermont, Kentucky distillery as demand & volumes falls; the bourbon maker will continue to distill at its smaller facilities. *Beyond Meat* terminated the employment of its corporate controller & principal accounting officer after material weaknesses in financial reporting concerns were identified. *7-Eleven USA* CEO *Joe DePinto*, who has held the role for more than 20 years, will retire.

Within six months, GLP-1 users reduced grocery spending by an average of 5.3% with higher-income households experiencing more than an 8% drop according to research published by the *Journal of Marketing Research*. The global animal protein industry is set to experience a slowdown in production growth in 2026, according to *RaboResearch*. West coast carrot supplies will be down for the next few weeks due to heavy rain.

MARKET NEWS: Markets were higher, with the S&P closing at record highs in a week of little news & shortened trading hours. GDP came in at 4.3%, well above the 3.2% expectation! Consumer confidence was slightly below expectations. Initial jobless claims were below estimates.

A CLOSING NOTE: This year-end issue of *ALL EARS!!* marks 600 consecutive weeks of original content & industry news! We will continue, *cautiously optimistic*, that in 2026 we will be able to provide a weekly synopsis of the news while sharing our commentary & views, rely on & making good use of all the great minds of history, philosophy, literature, music, movies, economics, science & more to help support our arguments! Happy New Year!

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malenka*

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