



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



IT'S A DREAM. You drive into a tunnel. You see a light at the end of the tunnel - it's a short tunnel. But what if you can't see the end, there is no light. Maybe there is some dim lighting along the ceiling, but your headlights are only absorbed into the darkness. Hopefully, you come out the other side, into the warm sunshine of a green mountain valley with hills filled with beautiful wildflowers & deer gamboling about. But what if the tunnel is not ending? The dream turns into a nightmare. You keep driving into the darkness. The darkness encompasses your car then seems to creep right into your body. Will you make it to the other side, or will the tunnel & dream come to a dark end?

DARK END: Recently, a few readers mentioned that *ALL EARS!!* seems to be darker of late. That may be so, we live in dark times. This humble rag has often mentioned 1942 as a time when America's mere existence was at stake as the world was at risk of falling under a complete totalitarian rule. But there were other times in America's history where the existence of our Republic was in doubt. In the winter of 1777-78, Washington somehow kept together a ragtag militia in the freezing cold of Valley Forge. In the early stages of the Civil War, before Grant & Gettysburg, it looked as if the Nation may fall into a permanent Great Divide. When the Great Depression put 25% of America out of work, hobos road the rails, shanty towns arose across the country, bread lines grew longer, organized crime prospered & FDR's New Deal policies only drove our Nation deeper into recession while he grew the government bureaucracy, America was ripe for socialist & fascist ideologies to invade our landscape. All great empires fail. The Greek Empire ended with the death of Alexander; as did Attila's Asian empire upon his death. Many times, these empires disappear after losing a war or after a violent change in rulers. The fall of the great Roman Empire was due to internal strife. The ruling class was far removed from the workers & slaves. The people were lazy, relying on the government for their needs, its public works like the baths, aqueducts, arenas, temples, colosseums, etc., & even the entertainment to keep them happy - the circuses, gladiator bouts & Christians thrown to the lions. The society was perverse - sex, wine & murder. The corrupt ruling class, emperors & senators, fought among themselves to retain power. Meanwhile, the Romans lost control of the vast edges of their empire with a lack of attention to the military that protected their people. The vandals, goths, Burgundians & other barbaric tribes edged closer into Rome, with different cultures, beliefs & behaviors. This almost seems prophetic as we look around America today. Like Rome, America seems to happily host an array of the Seven Deadly Sins - sloth, greed, envy, gluttony, lust, wrath & pride. We have allowed illegal immigrants to enter our Nation & provide them (as well as others) with debit cards, healthcare, phones, housing & essentially a get out of jail free card to commit crimes again. We have a society that seeks the easy way, from lotteries to crime to useless, deadly, vaccines (sloth). We have billionaires who use their money to interfere in our election process, using the profits they make from their consumers. Life-long politicians are on the take from every country, all while building wealth with stock trades & handouts (greed). Social Media drives popularity, a fight for likes! Personal debt soars not just as people try to provide for their families but to 'keep up with the Joneses' & have the toys & trappings of wealth (envy). As a nation, our health suffers, not just from eating & obesity, but from the sugar, salt, chemicals & dies in our food, driving us to eat more as we overdo everything in our lives - too much work, partying, drinking, drugs & other unhealthy obsessions (gluttony). There are women & children being trafficked, perversion taught in our schools, child gender molestation & attacks on women & children (lust). We have random beatings on the streets, murderous gangs, riotous mobs, city takeovers, organized shoplifting, personal vendettas & mass shootings, death chants on our campuses & abortion on demand (wrath). And finally, we have people - celebrities, athletes, politicians or just some loudmouth - who must share their opinion & their lies with the masses, believing the world must believe them & think they are untouchable! So much so, that a politician has the hubris to attend a debate & tell debunked lie after debunked lie about her opponent, only to be protected & supported by corrupt egotistical moderators who know the truth & do not even make her answer the questions (pride & hubris)! Every culture has an end time, be it an Armageddon or apocalyptic event. Perhaps in the biblical sense, a time where a flood can no longer cleanse the world of evil & wrongdoing. It is symbolically depicted in different ways - war, volcanoes, lightning from the sky, fire, plagues. In most cultures, as in the Bible, the end time is when evil is finally conquered. The evil doers are sentenced to an eternal hell & the good are rightfully rewarded. It seems difficult for any decent & observant person to look at the turmoil in our country (& across the world) & not wonder if we can make it to the light at the end of the tunnel. We see across our country & the world the murder, rape, perversion & disrespect & disregard of human life & personal freedom by people & government. So as the tunnel gets darker & the darkness creeps closer - yes - those who choose to read these meanderings may find it dark. And yes, we are wondering if this tunnel will come to a dark end or reach a Golden Light! T.S. Eliot wrote, "*To make an end is to make a beginning. The end is where we start from.*" So maybe if we reach that Golden Light, we will return to a time where we started & have a new beginning - where the world is at peace & America is respected; our borders are secure; our streets are safe; our children are educated, not indoctrinated; our women are safe & respected; our economy prospers; our country is healthy; that people rise on merit & that the people who come to our Nation come here to share in the glory of our beliefs & culture. So, we will keep the faith that there is the Golden Light at the end of this dark tunnel. Corrie Ten Boom, Dutch watchmaker, Christian writer & holocaust survivor, who was imprisoned for protecting & helping Jews escape but continued preaching from a concentration camp, tells us, "*When a train goes through a tunnel & it gets dark, you don't throw away the ticket & jump off. You sit still & trust the engineer.*"

INDUSTRY NEWS: *Lil Bucks* raised \$3M led by *Proterra Investment Partners*. Hummus brand *Little Sesame* raised a seed round with investments from *Santatera Capital*, *Watchfire Ventures* & *Terpsi Capital*. *Slate Milk*, high protein milk, raised \$9.5M from undisclosed investors. *Mezcla*, plant-based protein bars, raised an undisclosed investment from our friends at *Habitat Partners*, the venture arm of *Red Antler*. Creatine gummy maker *Create Wellness* raised \$5M led by *Unilever Ventures*. *Cal-Maine Foods* will invest \$6.75M in a joint venture with *Crepini*, a

processor of egg wraps, protein pancakes & crepes, to create new egg products & prepared foods; the majority investment will be used for equipment, other assets & working capital. In the UK, *Plant-Ex Ingredients*, natural plant-derived flavors, colors & extracts, has secured £9M from major investor *BGF. Novameat*, faux meat, raised €17.4M led by *Sofinnova & Forbion BioEconomy* with *Praesidium, Unovis Asset Management & Rubio Impact Ventures* involved. Berlin-based *Formo* raised \$61M for its fermented koji faux cheese with *Foodlabs, EQT Ventures, Lowercarbon Capital, Happiness Capital, Elevat3 Capital, M Ventures, Grazia Capital, Sazaby League, Seven Ventures, Woodline Partners, Indiposa Investments, The Nature Conservancy* & retailer *REWE Group* participating. *Solasta Bio* raised \$14M to accelerate the development of its peptide-based, nature-inspired bioinsecticides, led by *Forbion, FMC Ventures & Corteva Catalyst* with participation from existing investors included *Cavallo Ventures, Rubio Impact Ventures, Scottish Enterprise, UKi2S, SIS Ventures* & the University of Glasgow. *Catalera BioSolutions* raised an \$8M investment round led by *S2G Ventures & Farm Credit Canada Capital* for its biological products. *General Mills* will sell its North American yogurt business & production assets to the French companies *Lactalis Group* (its USA business) & *Sodiaal* (its Canadian business) for approximately \$2.1B. PE-firm *One Rock Capital Partners* will acquire *Europe Snacks*, a maker of private label savory snacks for the European market. Commercial pastry bakery *French Gourmet*, owned by *Midwest Growth Partners*, merged with *Shells By Design*, a maker of frozen tart shells & desserts. *Cooper Street Snacks*, a family-owned maker of cookies & granola bakes, acquired *Harvest Valley Bakery*, manufacturer of private label cookies. *Associated British Foods* acquired Australian bakery *The Artisanal Group*. German meat giant *Tönnies* bought beef assets in Germany from Netherlands-based peer *Vion*, as the Dutch government pushes plant-based meats due to supposed climate change. Czech pet-food business *Vafo Group* acquired Austrian pet company, *PetCo*, for an undisclosed amount. *Three Dog Brands* bought *Kennelmaster Foods*, maker of the savory, dehydrated pet treats brand, *Chips Naturals*. *Kubota North America* acquired *Bloomfield Robotics* plant health monitoring technology. *Lady Moon Farms*, an organic grower based in Chambersburg, PA, & *Happy Dirt*, an organic grower & shipper based in Durham, NC, will partner to expand their reach. *Pictor Biotech*, founded by an ex-*Novozymes* executive, acquired the assets of bankrupt biomanufacturing USA startup *Solar Biotech*, fermented microbiological; *Solar Biotech* had recently acquired *NobleGen*. *Big Lots* filed for bankruptcy, will close selected stores & entered into a sale agreement with an affiliate of investment firm *Nexus Capital Management*. *BurgerFi* (144 locations) filed for bankruptcy. *Smallhold*, organic mushroom grower, emerged from Chapter 11 bankruptcy with backing from *Monomyth Group*.

Kroger revenue was flat during 2nd QTR, posting a profit after a loss last year due to the opioid settlement. *Sobeys'* parent *Empire* reported lower sales but higher adjusted profit for 1st QTR. *Mission Produce's* stock jumped nearly 20% on a 3rd QTR surge in revenue & profit driven by tight avocado supplies. *Costco* exceeded €500M in sales in Spain for its fiscal 2023, a new high. After 155 years, *Campbell Soup* will ask shareholder approval to change its name to *Campbell's Company* to reflect its broader product categories.

Our corner *Whole Foods Market* will move slightly up the road to the redeveloped *Paradise Valley Mall* on October 16! *Wegmans* topped *Fortune's Best Places to Work* list for the ninth consecutive year. *Publix* is planning its 12th Kentucky store. *Aldi* is planning an €800M expansion in Britain. *Amazon Fresh* is opening its fourth Pennsylvania location. Also, *Amazon Fresh* will offer deeper discounts on a variety of products to *Prime* members with a new private label offering, *Amazon Saver*. *DoorDash* entered a delivery partnership with Asian retailer *H Mart*. *Family Dollar* will use *dunnhumby's* AI Platform to optimize store assortment. *Chomps* has unveiled plans to open a 300K sq. ft. manufacturing facility in Mexico, MO, in 2025. *Bigelow Tea* will invest \$70M in a 265K sq. ft. Louisville facility. In Switzerland, *Upgrain* will open Europe's largest upcycled spent grain facility in collaboration with brewer *Brauerie Locher*. *FarmWise & RDO Equipment* will offer AI-powered weeding robotics for USA vegetable growers. The USDA will allocate \$121M across 50 projects to research & solve challenges facing specialty crop & organic agriculture producers. *Keurig Dr Pepper* will distribute *Black Rifle Energy Drinks*, which will launch in the 4th QTR. *Coleman All Natural Meats* introduced ground pork sausage in five flavors. *Walgreens* will launch a private label premium skin care line. *Planted* will add a whole cut alt-steak. California added additional regulations on hemp-derived THC products. *Cargill, Hormel & National Beef* agreed to pay a \$57M settlement in a wage-fixing lawsuit. *Nestlé* was fined €2M to settle mineral-water investigations in France. *KDP* was fined \$1.5M for its K-cup recycling misrepresentation. *Bonumose*, tagatose sugar replacement, won a preliminary victory with the FDA on its labeling. Some 100 brainwashed, narrative believing & unable to apply reason organizations, who want to force people to eat overprocessed, terrible tasting totally fake meat, are pressuring major banks to stop funding cattle & livestock businesses. Michigan will seek to ban cultivated meat. It has come to light that the USDA saw potential for contamination at *Boar's Head* two years ago; *Boar's Head* will close the Virginia plant involved. A bag of *Cheetos* left in the Big Room at Carlsbad Caverns had serious ecosystem impacts; park rangers spent 20 minutes removing foreign detritus & molds from cave surfaces.

From *Deloitte*, 53% of consumers surveyed say that figuring out what to have for dinner is a pain point & 44% would regularly buy from a grocery store that could help them with meal planning; a majority are seeking convenience. Per *Prinova*, packaging health claims influence the food & beverage purchasing decisions of 72% of consumers; for consumers under 35 health claims influence more than 80%. *Toast* reports the cost of a QSR lunch year-over-year is up 4.6%. From *Circana*, Korean restaurants, foods, beverages & flavors are experiencing rapid growth, with the number of Korean restaurant locations increasing by 10% in the past year. Chile projects a 33% increase in avocado production in the 2024-25 growing season. Maple syrup production is bouncing back after several years that drained the world's only 'strategic reserve' in Quebec to a 16-year low.

MARKET NEWS: Stocks tanked again midweek as CPI (2.5%) & Core CPI (3.2%) came in high enough to make investors concerned about the size of the rate cut. The Producer Price Index for August came in higher than expected. The Dow & S&P recovered as the week progressed. Small business optimism dropped. Unemployment growth is tracking close to the Great Recession. Credit card debt hit a record high in July. Consumer sentiment edged higher in September's preliminary reading, up to 69, but well below the late 2019 100+ readings when America was guided by a Golden Light!

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malenjo*

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