



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



"IT'S ONLY LOGICAL," was the usual response from Spock, the Enterprise's First Officer & Science Officer. Spock was a Vulcan. The Vulcans had evolved, through discipline & diligence, to remove emotion from their being & society. The Vulcans had been an emotional, violent, war driven culture. To prevent self-annihilation, they developed a philosophy of logic. Spock was only half Vulcan; his mother was a human. Often, Spock had to fight his own internal war when his human passions arose, drawing on his logical & rational thinking to reign in his emotions. If Spock viewed the irrationality of our society today, he would likely think, "*It's totally illogical!*"

**IT'S TOTALLY ILLOGICAL!** As it is with almost all our understanding & knowledge of philosophy, math, science, physics, ethics & more, the philosophy of logic was set forth by Aristotle. In a series of six treatises, now organized into the *Organon* (Greek for 'instrument' or 'tool'), Aristotle lays out a method for critical thinking. Logic is not so much a philosophy as a method on how to apply critical thinking to philosophical thought to reason correctly & create truths in order to be moral & ethical. Aristotle's philosophy of logic has two major premises: The Law of Non-Contradiction (LNC) & the Law of the Excluded Middle (LEM – also known as the Jan Brady law or the Democrat party economic plan). The LNC tells us that something cannot belong & not belong at the same time to the same thing or set; & in the same respect, meaning a thing, a statement, an idea, cannot be both true & false at the same time. For Aristotle, if this were not the case, all communication would be worthless! The LEM provides additional groundwork stating that between opposite points, one must affirm or deny everything about each point, that there is no middle ground, no moral or ethical half-truths, that a statement or thing must be true or false. Aristotle then moves on to his syllogisms, the process for rational & critical thinking. With his syllogisms, Aristotle is also setting forth the basics of mathematics we all learned, statements like '*If A=B then B=A*' & '*If A+B=C then B+A=C*.' His syllogisms for rational or critical thinking follow a general formula. It begins with a major premise or universal value, moves to a particular premise applied to a particular situation, then draws a truthful conclusion (moral syllogism) or resulting action (practical syllogism). As an example: *I want to be healthy; broccoli is good for my health; I should eat broccoli.* And while Aristotle did believe that morals & ethics could change or be refined upon debate & dialectic reasoning, he understood, like our Vulcan friend, human nature would be to reason poorly, confuse passion with reasoning, & rationalize means or methods as ends! This is a perfect description of how many in our society operate today, being totally irrational & illogical. For example, the same people who say, "*No one is above the law,*" also say, "*But we must protect criminals from being arrested!*" Both of these statements cannot be true! Also, these same people say, "*Law enforcement must identify themselves (to the world for retribution)*" when executing their civic duties arresting people; & "*there is no need to have identification to vote (to make sure they are eligible),*" the most sacred & coveted right of a United States citizen. These are contradictory statements & cannot both exist as true. Both these situations fail the LNC & LEM test! Let's look at the following syllogism, which people irrationally or illogically ignore: *It is illegal to enter the USA without proper documentation; doing something illegal makes one a criminal; those who enter our country illegally are criminals.* As Aristotle said, all communications begin from truths. It's no wonder it is impossible to reason with people who ignore these truths & then confuse their own passion with reasoning & a means as an end. Why else would Affluent White Female Urban Liberals (Acronyms can be fun!) scream at & even attack law enforcement enacting their duties? Why else would an ICU nurse attack law enforcement & vandalize a law enforcement vehicle while carrying a loaded weapon with extra ammo, get arrested then released by an irrational judge, only to return to the scene to once again provoke law enforcement into taking action? These people's failed reasoning seems to follow this syllogism: *We hate America & American culture; illegal aliens & criminals help destroy America; therefore, we must protect illegal aliens & criminals.* Aristotle made it clear, "*[A] syllogism does not make the premises true; it only shows what follows if they are assumed.*" There are dozens of these kinds of examples, & in every situation, these failures to think logically & rationally have led to hate & violence. This is the outcome that both the Vulcans & Aristotle feared. From Aristotle's *Ethics*, he shares that a person could reason correctly starting from a corrupt value, a biased goal or a misconception about what is good & then arrive at a bad action! These are moral errors, beginning not just from a bad or incorrect principle, but from a moral relevance, where rational thinking is overruled by passion or desire. From Aristotle, "*When passion is present, the agent does not act according to knowledge, but as if he did not have it.*" What Aristotle is saying is that these people know what is right, but they are so overcome with passion, they move forward from incorrect premises to bad actions. As an example, these people so hate our President, full well knowing he is moral, ethical, & working hard to *Make America Great Again* for every American while bringing peace to the world, that they will invent crimes, medical issues, defy the law, use their power & legal action to block laws & executive orders that will improve our society, economic conditions, health, safety & children's future! These people know what is right, but they ignore it, & use practical mis-reasoning based on their desire to appear good & ethical! Aristotle says of this, "*Vice perverts the principle.*" Evil people, vicious people, use these bad starting points for moral justification, knowing full well they are wrong. Aristotle would say these people are innately evil, they are not just choosing wrongly, they see wrongly! Aristotle states that they are no better than sophists! Sophists emerged in Greece during the 5<sup>th</sup> century BC. Sophists taught young wealthy men how to get everything they wanted & desired by using false premises & principles along with deceptive arguments & reasoning, laying the foundation for the Democrat party & the American university system. From Aristotle, "*Those who reason for the sake of victory rather than truth resemble sophists.*" Aristotle saw these people as evil & weak, "*It is impossible to be practically wise without being good... Cleverness without virtue is mere knavery.*" But Aristotle understood why sophists & those who rationalize deceptively from false premises, in an attempt to shut down debate & dialectic reasoning, are successful. From Aristotle's *Sophistical Refutations*, "*The cause of false reasoning is the resemblance of false arguments to true ones.*" Aristotle's brilliance, his 2,400-year-old philosophical reasonings & writings, completely describes the maniacal passions of the American-hating politicians, journalists, university professors, celebrities, big tech icons & the Affluent White Female Urban Liberals (Reminder: acronyms can be fun!) who use false premises & deceptive reasoning to achieve a moral high ground set upon a weak, crumbling foundation. And what would Aristotle say of these people who

knowingly live in a world of contradiction, whose internal evil & vice provides cover for them to use morally wrong values & premises to reason & rationalize deceptively? From his discussion in *Metaphysics* on the Law of Non-Contradiction: “Anyone who says that the same thing can both be & not be at the same time is no better than a vegetable.”

**INDUSTRY NEWS:** The President’s son, Barron Trump, along with a few high school buddies have founded *Sollos Yerba Mate*, a beverage company located in Florida; the company is capitalized with \$1M raised through private placement & plans a spring DTC launch. *Willie’s Remedy+*, the country singing icon’s THC infused tonics, raised more than \$15M led by *Left Lane Capital*, but don’t drink it if you are *On the Road Again* trying to get back to *Luckenbach, Texas*, you might get in an accident & no *Angel Flying too Close to the Ground* will come to save you, you may leave a lot of *Blue Eyes Crying in the Rain*; so say to yourself, “I must keep this *Always on my Mind!*” A month after selling a majority stake in its business, *Good Culture* received a \$55M investment from *Semcap Food & Nutrition*. *Omeat* rebranded as *Evergreen Connect* & raised \$6M to launch its faux blended beef products stateside & in Singapore; the round included *S2G Investments*, *BOLD Capital Partners*, *Good Startup* & others. *GrubMarket* raised around \$50M in Series H financing from *Future Food Fund*, *Portfolia Funds*, *Liberty Street Funds*, *RD Heritage Group*, *Flume Ventures*, *MY Securities* & other unnamed participants for international growth & innovation. In the UK, color platform technology specialist *Sparxell* raised \$5M from *SWEN Capital Partners*, *Alpha Star Capital* & *Cambridge Enterprise*. In Indonesia, mobile coffee concept *Jago Coffee* raised \$12.5M led by *BEENEXT Accelerate* with *Intudo Ventures*, *Apex Venture Fund* & others involved. In the UAE, cloud kitchen platform *Kitopi* raised \$50M led by *EvolutionX* & *DBS Bank*. *Brilliant Harvest*, AI-powered helpdesk for ag equipment dealers & farmers, raised a \$4M from *FTW Ventures*, *Alpaca VC*, *Automotive Ventures*, *SVG Ventures*, *NYA Ventures*, *Builders VC* & *AltaML*. In India, *The Whole Truth*, ingredient transparency & product integrity in packaged foods, raised \$51M led by *Sofina* & *Sauce.vc*, with participation from *Peak XV Partners*, *Rainmatter Health* & *AYRA Ventures*. Japanese barbecue brand *Bachan’s* was acquired by Ohio-based specialty food manufacturer *The Marzetti Company* for \$400M. *Refresco* will acquire *SunOpta* for \$6.50 per share, about \$750M. *Hain Celestial* is selling its North American snacks business, which includes *Garden Veggies Snacks*, *Terra Chips* & *Garden of Eatin’*, to Canadian snacks manufacturer *Snackraptors* for \$115M. *TRUBAR* was acquired for \$173M by Turkish snack maker *ETI Gida*. *Euricom*, a rice specialist, acquired *Ebly*, a durum wheat brand including a production site in France. *Shore Capital Partners* formed *Produce One*, a multi-regional specialty produce distribution platform among *Shore’s* strategic partnerships with *Premier ProduceOne* & *Native Maine Produce*. Shareholders of *TreeHouse Foods* voted in favor of the company’s pending acquisition by Industrial F&B Investments II. *Once Upon a Farm* raised \$198M in its IPO. *CAVU Consumer Partners* closed its fifth fund at \$325M.

In 1<sup>st</sup> QTR, *Ingles Market* showed an increase of 6.6%, while net income rose to \$28.1M compared to \$16.6M a year ago. Despite continued margin pressure, *Hershey* topped 4<sup>th</sup> QTR revenue & earnings targets. *Mondelez* beat 4<sup>th</sup> QTR EPS estimates on a healthy increase in sales, but a weak demand forecast caused a drop in the stock price. *Tyson* beat 1<sup>st</sup> QTR revenue estimates but missed the bottom line target with a 15% YOY decrease in income. *Sysco* reported sales growth & earnings growth in 2<sup>nd</sup> QTR. Strength in the frozen bread & rolls business boosted 2<sup>nd</sup> QTR earnings & sales at *Marzetti*; net income rose 21% & net sales were up 1.7%. While adjusted EBITDA rose in 1<sup>st</sup> QTR for *J&J Snacks*, the stock took a hit as sales dropped 5% & net income dropped from 26¢ to 5¢ YOY. *Bunge* reported a stellar 4<sup>th</sup> QTR driven by the *Viterra* merger. Lower crush margins impacted 4<sup>th</sup> QTR at *ADM*, with net earnings down 20% & revenues off 14%. *Chipotle* finished the year with a weak 4<sup>th</sup> QTR as lower foot traffic caused an all-around drop in financials; the company issued weak guidance. *Walmart* hit a \$1T market cap.

*Sprouts Farmers Market* opened new stores in New Braunfels, TX & Haymarket, VA. *The Fresh Market* opened a new location in South Miami. *Kroger* plans to open numerous locations under its large-format *Marketplace* banner in Indiana, Texas & West Virginia over the next two years. *Walmart* will open a new nextgen supercenter in Jacksonville FL. *Kroger* will close all 18 Georgia *Little Clinic* locations; a reason was not provided. *The Fresh Grocer* will open its first New York City store next week. *Giant Eagle* will provide food-as-medicine access in partnership with *NationsBenefits*. *HEB* has plans for a new distribution center north of *DFW*. *Costco* will offer same-day delivery in France & Spain. *C&S Wholesale Grocers* signed a new supply agreement with *Sedano’s Supermarkets*, Florida’s leading Hispanic grocery retailer. *PepsiCo* reduced prices on many items by 15%. *Rich Products* will offer two indulgent donut snacks, *Strawberry Cheesecake Filled Donut Bites* & *Cornbread Poppers Filled with Hot Honey*. *Conagra Brands* will add breakfast bowls to its *Banquet*-brand *Mega* product line that has 30 grams of protein in meat lovers, bacon, sausage & sausage & gravy varieties. *Hershey* has added spicy gummies with *Jolly Rancher Heat Wave Gummies* available in five flavors. *Minute Maid* will discontinue frozen canned juices, a childhood staple, after 80 years. *Little Sesame* is opening a 23.6K sq. ft. facility in Capitol Heights, MD. Specialty cheese manufacturer *Savencia Cheese* will expand its facility in Lena, IL. *Panera Bread* will close its fresh dough facility in Franklin, MA, impacting 92 employees. *Campbell* will close the 45-year-old manufacturing plant in Hyannis, MA., that makes *Cape Cod* & *Kettle Brand* potato chips. *Boar’s Head* reopened its processing plant in Jarratt, VA, that was at the center of the listeria outbreak more than 18 months ago. Workers at *JBS’s* Greeley, CO plant have authorized a strike. *Darden Restaurants* will close the remaining *Bahama Breeze* locations. *General Mills* & French agricultural cooperative *Euralis* have joined forces to accelerate regenerative agriculture across *Green Giant* sweetcorn crops. *Verity Holdings* & *Bushel* will integrate *Bushel’s* on-farm data with *Verity’s* modeling platform. *Carbon Robotics*, builder of *LaserWeeder*, has a new AI model that recognizes plant species instantly & allows farmers to target new weeds without needing to retrain the robots. *Gatik* is the first USA company to operate fully autonomous delivery trucks at scale in Texas, Arkansas & Arizona. *Costco* is named in a class action suit that its preservative free rotisserie chickens actually contains two additives that function as preservatives. A federal judge struck down a Texas law requiring truth in labeling law requiring fake meat to be identified as such, thereby adding to customer confusion. *Tabasco* maker *McIlhenny Company* is suing *Stoli Vodka*, claiming the alcohol company’s new spicy vodka uses similar packaging planned for a *Tabasco* partnership with *Absolut*. CPG investor, advisor & CBS wellness medical contributor Peter Attia (*David*, *Magic Spoon*, *Athletic Greens*, *LMNT* & more) was mentioned 1700 times in pedophile Jeffery Epstein’s files, exposing an ongoing relationship. *Ferrero* named company insider Jean-Baptiste Santoul as COO for the *WK Kellogg* business. Greg Pearson will join *Post Holdings* as president/CEO, leaving his position at *Compana Pet Brands*.

From 84.51°, 68% of shoppers said they are open to trying innovative & unique products from trusted private label lines; 60% of shoppers will switch to a new item if that product’s price is 5% lower than the regular price, but 80% will change if there’s a 20% discount. The *National Retail Federation* & *Prosper Insights & Analytics* forecast a record \$29B to be spent for Valentine’s Day! From *Circana*, avocado prices were down more than 19% from a year earlier at the end of December. USA flour production fell almost 1% in 2025. Cocoa prices are down 30% in the last month as supply increases.

**MARKET NEWS:** After a tumultuous trading week, markets were mixed with the Dow closing above 50,000 for the first time ever; the Nasdaq was lower due to AI fears in the software & services sectors, including capital spending. The ADP jobs report was below estimates & jobless claims were higher.

## **SEEDS, SPROUTS, GROW, HARVEST!**

THE LITCHFIELD FUND – Tom Malenka

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