



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



AMERICA IS A LAND of wonderment, from our spectacular natural landscapes to the architectural marvels of our cities. I am fortunate to be old enough to have travelled America when a gas station was hard to find & a car problem meant finding an inventive solution or being truly stranded in the middle of nowhere. I visited cities when the streets were still safe to roam & there was not a *Walgreens*, *Chase Bank* or Big Box store on every corner; a time when mom & pop shops & diners with terrific local foods resided in early 20th century architecture, since replaced by cold steel & glass. But like 1990s *NBC* TV Thursday nights, there are still many places every American must see!

MUST SEE! Most cultures arise from ancient times, taking thousands of years to develop. Think about England - ancient tribes, centered around their pagan religions, were invaded by Romans. After the Romans, the settled Anglicans were invaded by Saxons (Germany) & Jutes (Denmark) & there were uprisings & territorial disputes with the Picts & the many Welsh & Celtic tribes. By the time the Normans invaded in 1066, England had developed the basics of a feudal government that William & his successors continued to evolve & enhance. By the early 17th century, when mass settlement of America began, the cultures of the European countries were well developed. The men & women who came to an uncivilized America were civilized. They came from countries with developed forms of government, art, science, education & religion. And while these European cultures had developed over centuries, even millennia, America's culture was about to be forged out of this vast lush wilderness! These new Americans saw an enormous land of opportunity - as big as all of Europe - where they could explore, build & create. There are so many things every American should see if only to understand how we got here, to this place in time, & why so many of us hold this American culture dear in our hearts. Every American should visit Yellowstone, the Grand Canyon & the plains of Missouri, Iowa, Kansas, Nebraska, the Dakotas, Oklahoma & Texas if only to look upon their vastness & imagine what the first Americans must have thought as they arrived on the shores of this undeveloped country & slowly moved inland! Visitors should imagine John Colter & Jim Bridger seeing Yellowstone's amazing geothermal marvels, diverse wildlife, deep thick forests, raging rivers & snowcapped peaks. Picture John Wesley Powell & Jacob Hamblin mapping the gulleets & waters of the Grand Canyon & navigating the mighty Colorado for the first time. Think about how the Kansas settlers must have reacted after turning over the first spade of soil on their new homestead & seeing the rich, unspoiled earth! Every American should see the raging waters of the Oregon coast; the calm serenity of the Gulf of America, the deep cool waters of the Great Lakes that drove the industrial might of this Nation & the Mississippi, Ohio & Missouri Rivers that carried free market commerce across our country. And every American should visit & 'taste' real America - at the Nappanee Apple Festival, the Yarmouth Clam Festival, the Pie Town Pie Festival, the Millersport Corn Festival & the Iowa & Texas State Fairs! There are the must see architectural accomplishments, many built mostly by legal immigrant manpower, not machine power: the Golden Gate & Brooklyn Bridges; the Empire State Building; the communist inspired art deco interior of the Rockefeller Center; Monticello if only to understand Jefferson's expansive intelligence; the magnificence of the Hoover Dam, Mount Rushmore & Grand Central Station & of course, our gift from France, the Statue of Liberty. There are places each American should visit to learn our history & some of the sacrifices made: The Freedom Trail; Independence Hall; Lexington Green; the Lewis & Clark Monuments from Jefferson City, Missouri to Astoria, Oregon; the Alamo; Cemetery Ridge at Gettysburg; the stone wall & sunken road at Fredericksburg; the *USS Hornet* in Alameda; the *USS North Carolina* in Wilmington, the US Naval Academy, & of course, the truly immersive experience of Williamsburg! And one must visit the places that are central to our American culture: Bourbon Street, Basin Street, Lombard Street, the Powell Mason Cable Car line, 16th Avenue South, Hollywood & Vine, the Hollywood sign, the Vegas Strip, Cannery Row, the Fort Worth Stockyards, the Prescott rodeo, Tombstone, the Henry Ford Museum, Times Square, Carnegie Hall, Radio City, Broadway, Fifth Avenue, Miami Beach, The Kentucky Derby, Fenway, Wrigley, Touchdown Jesus & the Big House! And finally, every American should visit our Nation's capital, Washington DC. My personal experiences in Washington, DC? Touring the White House & USA Capitol & thinking about the men who walked the same floors: Jefferson, Lincoln, the Roosevelts, Truman, Ike, Kennedy & Reagan. Visiting the Ford Theater where Lincoln was shot & Peterson House, where he died. Strolling the glory of the Memorials on a spring afternoon. At the Smithsonian, being shocked by the tiny Apollo 11 capsule - nothing but switches & dials to get from Earth to the moon & back! The eerie silence of visiting the Vietnam War Memorial after dark & quietly, sadly, reading each & every one of the 58,000 names on the black wall. Sobbing uncontrollably at the changing of the guard at Arlington Cemetery's Tomb of the Unknown Soldier. Our Nation's capital, in fact, all of our cities & historic areas, should be safe to visit, free from crime, drugs & homelessness. I remember my first business trip to San Francisco. After a day of meetings & business dinners; I roamed the streets! Why? To visit the cross streets mentioned in Dashiell Hammett's *Maltese Falcon*. To walk the streets & hills of Bernal Heights, Potrero Hill, North Beach & Russian Hill where Steve McQueen roared by in a green 1968 *Ford Mustang GT* fastback. To see the apartment houses & buildings where Jimmy Stewart, Barbara Bel Geddes & Kim Novak roamed in Hitchcock's *Vertigo*. Bob Seger captured the essence & aura of the Big Apple in one line, "*New York City is like a friendly old ghost, you seem to cruise right through.*" At one time, my visits to the Empire City meant a long stroll to see the sights; a trip to *Junior's* in Brooklyn for cheesecake; a stop at any small, busy diner or pizza place & lunch on a bench in Madison Square Park. Americans & American families should be free not just to live without crime, drugs & squalor but be able to visit our cities, our historic & cultural sites peacefully & safely! So why would city leaders in Washington DC, Los Angeles, Portland, Seattle, Chicago, New York City or any other location in the USA not accept the help of the Federal government to clean their streets of violence & crime? Why would they say, "*No, we don't need any help! It's okay for criminals to kill, assault, steal & rape! It's okay for teen gangs to take over our streets, parks & malls! It's okay for the homeless, mostly drugged out & mentally ill people to poop in our streets & harass citizens!*" If a massive storm leaves your yard a mess with the shrubbery & trees uprooted, the windows broken & the roof torn apart & then a neighbor offers their help to clean up, do you say no? Absolutely not! You accept & thank God you have a good hearted neighbor looking out for you! So again, why do these politicians refuse the help of our good-hearted President to protect their citizens & clean the mess that they themselves have made of their cities?! From 20th century political scientist James Q. Wilson, "*Crime is the price society pays for abandoning character.*" Crime has exploded in our cities & on our streets because besides the criminals, the mayors, police chiefs & judges lacked character. They were not willing to risk offending a small, woke minority & thereby put all their citizens at risk. Attorney General & Senator Robert F. Kennedy said, "*Every society gets the kind of criminal it deserves. What is equally true is that every community gets the kind of law enforcement it insists on.*" We, as a Nation of law abiding citizens, must see & insist that criminals, drugs, violence & squalor be removed from our communities, so our cities, our families & our country can prosper. Our law enforcement, both locally & federally, know who these criminals are & where they hide - that is obvious by how fast they can find, arrest & remove them when they are given the freedom to do so!

As Emerson wrote, "There is no den in the wide world to hide a rogue. Commit a crime & the earth is made of glass. Commit a crime & it seems as if a coat of snow fell on the ground, such as reveals in the woods the track of every partridge & fox & squirrel & mole."

INDUSTRY NEWS: *Uncle Arnie's*, CBD beverage, raised \$7.5M co-led by *Mindset Capital & Delta Emerald Ventures*. Australian non-alc beer brand *Heaps Normal* raised an undisclosed amount from a celebrity. In Singapore, bean-free faux coffee maker *Prefer* raised \$4M led by *At One Ventures & Chancery Hill Ventures* with participation from *Forge Ventures*. *QDOBA* raised \$527M for expansion, led by *Apollo S3* with participation from *Painswick Capital & others*. *Geltor*, precision fermentation, raised more than \$20M co-led by *Starlight Ventures & iSelect Fund*, with additional funds from existing investors. *Phytolon*, natural food colorings through precision fermentation of baker's yeast, raised an undisclosed investment from *Colorcon Ventures*. In India, eGrocery delivery service *Zepto* raised another \$46M. Also in India, *FairdealMarket*, a B2B quick commerce platform, raised \$3M led by *Incubate Fund Asia & Waterbridge Ventures*. *Hyphen*, maker of *Chipotle's* automated makeline prototype, raised a \$10M investment from *Cava*. Feed logistics & management company *BinSentry* raised \$50M led by *Lead Edge Capital* with undisclosed investors involved. In South Korea, *Meta Farmers*, an all-in-one farming robot, raised more than \$2M led by *Octagon Venture Partners* with *Future Play & Smilegate Investment* involved. *Saga Robotics*, UV-C light to tackle powdery mildew on crops, raised \$11.2M from *Praesidium Agri-FoodTech*, *Aker Capital*, *Nysnø Climate Investments*, *Blystad*, *Hatteland*, *Melesio*, *Sanden & MP Pensjon*. *Confido*, a CPG financial operations company, raised \$20M led by *Footwork*, with participation from *Watchfire Ventures*, *Y Combinator*, *Boulder Food Group*, *Fintech Fund*, *Barrel Ventures & others*. In Arizona, *Huss Brewing & an ALL EARS!!* favorite, *PHX Beer Co.* have merged to form a new company, *Zonafide Beverages*. *Dairy Farmers of America* acquired *W&W Dairy* in Monroe, WI. *Mennel Milling* will acquire *Mondelez's* Toledo flour mill, one of the USA's largest, making *Mennel* the fourth largest USA flour milling company. *Bunge Global* has entered a purchase agreement to acquire substantially all the assets related to the lecithin, soy protein concentrate & crush businesses of *International Flavors & Fragrances*. *Fresh Del Monte Produce* will enter into a new joint venture with Columbia's *Managro Group* to invest in lime & avocado production & export. *Hoffmann Family of Companies* acquired Louisiana's *Elmer's Chocolate*, branded & private label boxed chocolates & seasonal candies. In the UK, food, ingredients & retail company *Associated British Foods (ABF)* acquired bread baker *Hovis Group* from PE-firm *Endless*. *Diageo* sold its minority stake in Spanish vermouth maker *El Bandarra* back to the owner, *Vintae*. *Firelight Capital Partners* acquired *Snif-Snax*, a producer of natural, single-ingredient pet treats. USA food processing equipment manufacturer *Middleby* acquired German equipment manufacturer *Oka*. Farmland investment platform *AcreTrader* was acquired by *Proterra Investment Partners*. Ultra processed faux-meat producer *Beyond Meat* refuted rumors that the company was filing for Chapter 11 bankruptcy protection.

Natural Grocers reported 3rd QTR net sales up 6.3%, comparables up 7.4% & net income 26% higher. *Weis Markets* reported slight 2nd QTR across the board gains. Retail sales drove a small gain in overall 2nd QTR revenue for *SpartanNash*; net earnings fell on costs associated with its sale to *C&S Wholesale Grocers*. Pharmacy sales & same-store sales growth drove revenue & income higher in 3rd QTR for Canada's *Metro Grocers*. *Hello Fresh* reported 2nd QTR revenue down & income higher due to a restructured marketing discipline focused on high-value customers. At *Post Holdings*, 3rd QTR sales rose 1.9% & net income beat estimates; the company cited business mix as driving gains & overcoming weak demand. At *US Foods* in 2nd QTR, net sales increased 3.8%, gross profit increased 4.2% & net income rose 13.1%. *Westrock Coffee* beat 2nd QTR estimates. *Lifeway* beat 2nd QTR EPS by a penny & had higher revenue. Net income was 62% higher in 2nd QTR for *JBS* & revenue rose 8.9%, but missed analyst projections. *Smithfield Foods* reported a drop in 2nd QTR income despite an 11% revenue gain; hog production forecasts remain strong. *SunOpta* raised full year guidance after turning a year ago loss into a 2nd QTR profit on increased revenues; the company will invest \$25M in its fruit snack production, a category showing many quarters of growth. *B&G Foods* saw a 4.5% decrease in 2nd QTR sales & reported an almost \$10M loss. *Brinker International (Chili's, Maggiano's)* beat 4th QTR estimates. Weak same store sales caused *Cava* to miss 2nd QTR estimates; the restaurant lowered its outlook & the stock price dropped. *Wendy's* saw weak revenue & same-store sales in 2nd QTR due to LTO confusion; net income rose YOY. *John Deere* reported a down 3rd QTR on weak demand; the company lowered forecasts as much of its business is outside the USA; this 180-year-old all-American company cites tariff uncertainty as they acquire too many components & raw materials from foreign sources.

Prime members in more than 1,000 cities & towns now have same-day grocery fulfillment; *Amazon* plans to expand this offering to over 2,300 cities & towns across the USA by year-end. *Food City* will add a fifth store in the Huntsville, Alabama area. *Trader Joe's* is opening its first store in New Orleans. *Big Y* is opening two new Massachusetts stores. *99 Ranch Market* will open its first store in Portland, OR. *Seven & i Holdings* plans 1,300 7-Eleven locations in North America & 1,000 in Japan by 2030. Kansas City city-owned socialist grocery store, *Sun Fresh Market*, closed its doors. *Wawa* will open its first stores in Middle Tennessee. *Walmart* will open its 10% employee discount to grocery purchases. *Target* will end its shop-in-shop arrangement with *Ulta Beauty*. *Dollar General* will partner with *Uber Eats* nationwide. *Aldi* will partner with *DoorDash* for delivery in Australia. *Kerrygold* debuted sweet butter *Cinnamon & Sugar Butter Sticks* in the USA. *Danone* will introduce an *Oikos* yogurt drink that they say will help consumers rebuild or maintain muscle they lose when taking weight loss drugs. Nut oil maker *Fresh Vintage Farms* launched an almond oil mayonnaise. *Saffron Road* will up the protein & remove seed oils from its frozen entrees. *Real Good Foods* has made a large-scale commitment to use beef tallow instead of seed oils. *Kraft Heinz* will release a pizza flavored *Mac & Cheese*. *Horizon Organic Dairy* will now do business as *Horizon Family Brands*, looking to build out its BFY products that include *Horizon Organic & Wallaby*. *JBS* acquired a former *Hy-Vee* production facility in Ankeny, Iowa, & will invest \$100M in its prepared pork production. *Perdue Farms* opened a \$60M, 225K sq. ft. case-ready pork production facility in Sioux City, IA, adding 100 jobs. *Mars* licensed *Pairwise's* gene-editing platform to explore cocoa options. Ontario's government will invest \$41M in funding for irrigation pipelines to deliver reliable water to hundreds of farms & agricultural businesses in the Niagara farming region. *Dollar General* is recalling *Clover Valley Instant Coffee*, sold in 48 states, due to glass shards. Australian startup *Nourish Ingredients* has received FEMA GRAS status for its precision-fermented fat for faux-meat. *Gelsen's* & its workers appear to have settled labor issues to avoid a strike. *Market Basket* is seeking restraining orders against two former executives. *Kroger & C&S Wholesale Grocers* have settled the C&S lawsuit concerning the termination fees of the *Albertsons* merger though terms of the settlement were not made public. *Walmart* settled another lawsuit, for \$5.5M, over accusations about weight, pricing & labeling.

Per *FMI*, grocery shoppers are growing increasingly worried that tariffs on imported goods will result in higher prices, sadly proving how poorly educated Americans are on economic principles & recent news. From *Brick Meets Click/Mercatus*, online grocery sales hit \$10B in July, up 26% YOY with gains across all channels; 81M households ordered online, a record high. From the *Private Label Manufacturers Association*, private label dollar sales rose 4.4% & unit sales increased 0.4% in the first half of 2025 & market share hit record highs; private label sales growth well outpaced national brand growth. *Circana* is forecasting mostly flat food & beverage volume growth for 2026 with dollar sales up 3% to 5%. From *Technavio*, the global apple market will grow by \$15.9B through 2029 with a CAGR of 3.4%. *Gallup*, in a poll the company has run since 1939, reported 54% of Americans are drinking alcohol, the lowest level ever; the previous low was 55% in 1958. Peruvian ag exports were over \$5B in the first half of 2025, an increase of 22.7%. Overall at-home food prices fell 0.1% from June to July; fresh fruit & vegetable prices rose just 0.3% in July, YOY. The USA corn crop is now forecasted to beat all estimates; corn commodity prices fell. The USDA raised sugar production forecasts again. Diamondback moths are threatening Salinas-area broccoli, Brussels sprouts, cabbage & cauliflower crops.

MARKET NEWS: The Dow, Nasdaq & S&P 500 all hit record highs during the week. The CPI inflation index for July was 2.7%, below estimates & once again irritating all the people who claimed President Trump's tariff & economic plan would destroy our Nation's economy! The PPI number for July was hotter than expected, but *Truflation* puts price increases at just 1.99%, proving importers & foreign countries have the margin to absorb tariffs. Small business optimism rose as the NFIB Index passed 100. Jobless claims were lower than expected. Retail sales rose 3.9% YOY & 0.5% for July. The Consumer Sentiment Index was lower on media induced inflation fears.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Maloney*
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