



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



WALLACE BROWN was 19 years old in 1894 when he started manufacturing knives, forming what became the *Union Cutlery Company*. In 1923, he received a package containing a Kodiak bear skin. A hunter wrote that after shooting the bear, the wounded animal charged, knocking his rifle from his hand. The hunter used his *Union Cutlery* knife to 'kill a bear' & the iconic *Ka-Bar* was born! Before WWII, the military wanted to replace the WWI brass-knuckle-handle trench knife. The *Ka-Bar* knife was so durable, GIs could use it to open cans, clear brush & dig foxholes! The *Ka-Bar* was named the standard military fighting knife because those who protect our liberty deserve the best!

THE BEST: Too many times in recent history, America has had Presidents who did not respect, support or understand the military. That is why we had Operation Eagle Claw; the USS Cole; endless wars; Benghazi; mentally ill troops & commanders with gender issues; racist DEI & climate policies that did not support the mission; & Abbey Gate. Today, we have a President who understands that the purpose of the military is to destroy things & kill the enemy. That is why we now have the Department of War & no longer the Department of Defense. Get in, pound the enemy to submission, get out quickly & bring everyone home safely, as we saw demonstrated by Operation Midnight Hammer! Men win wars. But those men need the best tools & weapons. As WWII started Bernard Baruch, financier & special advisor to the President, told FDR there was just one man who could lead the USA mobilization effort to provide our boys with the best equipment & supplies. America was just coming out of the Great Depression; its industrial capacity was barely tapped & far from full capacity. Baruch chose a former bicycle & auto parts mechanic who rose to become head of General Motors, William S Knudsen. Knudsen was commissioned as a Lt. General; the highest commission ever awarded to a civilian. Knudsen oversaw the building of millions of planes, vehicles, ships & weapons. And just like today, those who protect our liberty & fight our wars, the boys, *the fighting men* of WWII, deserved the best weapons & tools. So as we honor our veterans this week, let's take a look at the best technology of WWII! In war, supplies need to be moved. America was not just supplying its own soldiers; America was supplying its allies with every means of war & survival. Eighteen USA shipyards supplied almost 2200 Liberty Ships, with an average output of three ships every two days. The Liberty Ship's design was simple, with pre-manufactured parts & pieces being labeled for easy training. This made it clear how to weld them together, as a massive workforce had to be assembled, including many women stepping into men's jobs. The Liberty Ship became the symbol for America's production power. While its design had safety drawbacks (rigid corners that increased stress & its rigid hull's performance in cold water), the Liberty Ships transported men, weapons, ammo, oil, vehicles, planes, supplies & food. But perhaps the most iconic watercraft of WWII was the Higgins boat, or LCPV (landing craft, vehicle, personnel). Arthur Higgins designed the craft; he built or licensed to be built more than 23K! The Higgins boat is the classic landing craft we see in every photo from D-Day to the landing sites across the South Pacific. The hull was plywood, so it would not activate the magnetic mines protecting the beaches. Because of its shallow design, it swayed in rough waters & GIs got seasick during the 5 to 10 mile trip to shore. The plywood hull offered little protection, but when its steel door dropped, 36 men could hit the beach firing their weapons. (The Higgins boat could also carry a jeep & 12 men or 8,000 pounds of cargo!) The Higgins boat could unload in a few minutes, hit reverse & the powerful 225 HP diesel engine would pull it back at 12 knots as its two .30 caliber *Browning* machine guns strafed enemy positions. (At Tarawa, good guy actor Eddie Albert steered his landing craft under enemy fire to rescue 47 Marines trapped on a reef & evacuated 30 wounded men, winning a Bronze Star.) Billy Mitchell was court martialed in 1925 for pressing the Army to focus on air power to win the next war. The Army let airplane planning & production slide. Knudsen oversaw the increase in airplane production from just 3,000 in 1939 to over 300K by 1945! The B-24 Liberator was the most produced bomber of the war & the B-25 Mitchell was aptly named for Billy Mitchell, but the iconic image we all have of a WWII bomber is the B-17 Flying Fortress. The B-17 was the John McCane of bombers, it died hard! With a crew of 10 – pilots, navigator, bombardier, radio man & gunners – the B17 flew critical strategic bombing missions (from altitudes much higher than English bombers could reach) in broad daylight. Fighters did not have the range yet to protect the B-17 deep into France, Germany, Norway or Southern Europe, so the loss of B-17 crews & planes was high. Yet, B-17's returned to base missing engines, with parts of the wings or superstructure missing & even in flames, while wounded pilots or crew members somehow kept the plane in the air. Then the mechanics began to work, stripping & rebuilding planes to make them ready to fly missions the next day! But the skies over Europe were won by the most legendary of all fighter planes, the P-51 Mustang! The Mustang was designed in 1940 by *North American Aviation* for the British with an *Alison V-1740* engine, which proved ineffective. After replacing the *Alison* with a 12-cylinder *Rolls Royce Merlin* engine built by *Packard*, the P-51, with external fuel tanks, guns, bombs & rockets took the fight to Europe's skies! The P-51 could fly deep into Germany. And the P-51 was mean, not just in its weaponry, but with the distinctive throaty engine growl & heart-slammng pound of its 12 pistons - a roar felt as much as heard! The P-51 not only decimated the Luftwaffe, but the Mustang also attacked ground targets – trains, enemy positions, troop carriers, boatyards, train stations & more. By D-Day, the Luftwaffe could offer little help in resisting

the invasion, because of the P-51! The Allies could freely bomb enemy cities & targets into rubble, yet this was still a war that had to be won on the ground in combat against millions of enemy troops spread across Europe & the South Pacific. It was the M4 Sherman tank that led that battle. More than 50K Shermans were produced. (In 2018, some were still in service, used by Middle Eastern & Asian countries!) The Sherman was used by all the USA allies & fought in the arid sands of Africa, the rolling plains of Western Europe, the snows of Russia & the lava bed islands of the South Pacific. It was light & maneuverable, able to outflank the heavy German tanks & hit them from all sides with overwhelming numbers. The crews often thought the Sherman was a tinderbox, but in fact, its penetration & burn rates were lower than the heavier Tigers & Panzer tanks. Its 75mm armament was proved to be as effective as the larger 88mm gun on the Tiger. And the Sherman was adaptable! It could be armed with a flamethrower to flush the Japanese soldiers from bunkers or caves; it could be armed with a plow to clear snow for ground troops or even to protect troops from small arms fire when assaulting a position; & it could also be armed with a 105mm cannon to become a mobile tank destroyer! But when it came to adaptability & utility, nothing matched the 640K *Willys Jeeps* put into service during the war. The infantry wanted a low profile four-wheel-drive vehicle to move along with the troops. The problem was turned over to three companies to solve: *Willys*, *Ford* & *Bantam*. While designed by a committee, the *Jeep* proved it could go anywhere & do anything. The *Jeep* was used as a mobile assault vehicle when armed with a .30 or .50 caliber *Browning* machine gun, as a mobile radio command post, as a mobile rocket launcher, as a litter carrier, as a snowplow, to haul anti-tank weapons & supplies, to tow tanks & trucks that got stuck in the mud & more! The Nazis saw so many jeeps on the battlefield their soldiers believed every GI got his own *Jeep*! The Nazis also thought that every GI got his own M1 Garand, & with 5.4M issued, they were basically correct. The M1 is the weapon that won the war! Even 3rd Army general & tank commander George S Patton said, "In my opinion, the M1 rifle is the greatest battle implement ever devised." A GI, carrying a gas powered semi-automatic M1, could turn a corner & with eight .30 caliber rounds change the course of battle. An experienced rifleman could fire 40 to 50 rounds per minute. The M1 was so powerful that repeated hits could pierce sandbags, break through cinder blocks & even soft body armor. With an armor piercing round, the M1 could penetrate heavier armor, materials & layers. In the South Pacific jungle, one round from an M1 was said to stop as many as four Japanese soldiers in banzai attacks. The M1 had one drawback – a distinctive ping when the spent cartridge & metal clip automatically ejected. The Germans learned this & waited for the ping to open fire while the GI reloaded. But Yankee ingenuity prevailed – GIs kept empty clips to toss while they still had rounds left, lying in wait for the Germans to expose themselves! These are some of the best implements of war that won the peace in WWII. While we honor our veterans this week – the best of us - these weapons, vehicles, planes & ships also deserve a place of honor. Our WWII fighting men got the best that was available. By the way, if you are looking to acquire a P-51 Mustang in flyable condition, it could cost up to \$5M! A B-17 Flying Fortress could cost \$3.5M, a working M4 Sherman would cost \$1M, while buying a *Willys Jeep* would run you about \$30K. Purchasing an M1 Garand from a collector could cost up to \$2K. But you can buy a brand new *Ka-Bar* knife, built to the exact specifications of the quintessential WWII Marine fighting knife, for just \$140; something handy to have when civilization eventually melts down!

INDUSTRY NEWS: *Lucky Energy* raised its second round in eight months closing on \$25M led by *Paine Schwartz Partners* with *Joyance Partners*, *Sequel* & *North Fifth Services* involved. Functional calming beverage brand *Trip* raised \$40M led by *Coefficient Capital* with participation from celebrity investors. *Smash Foods* closed a 7-figure funding round led by *Eclair Partners* with *Label Capital* & *Family Fund* participating. *Manna Tree* took a large minority stake in gummy brand *Plant People*; *Unilever Ventures* participated in the round. *BranchOut* Food, dehydrated produce, raised \$2.5M from *Bard Associates* to expand its Peruvian production facility. In Japan, *Umami United*, faux plant-based egg alternatives, raised \$2.01M from *mint*, *Beyond Next Ventures*, *Genesis Ventures*, *SMBC Venture Capital*, *Mitsubishi UFJ Capital* & *Mizuho Capital*. French start-up *Green Spot Technologies* raised €5M for its fermented ingredients designed for bakers, pastry chefs & chocolatiers; the round was led by *Team for the Planet*, with the *European Innovation Council*, *EIT Food* & angel investors involved. *GoodLeaf Farms* acquired equity financing of \$52M to expand its production capability in Alberta & Quebec & build an R&D center in Ontario; the round included investments from *Farm Credit Canada*, *Power Sustainable Lios* & *McCain Foods*. *Gopuff* raised \$250M at a \$8.5B valuation co-led by *Eldridge Industries* & *Valor Equity Partners*. *IBI Ag* raised \$10M led by *Corteva*, with participation from *The Trendlines Group*, *Iron Nation*, *Consensus Business Group*, *Bandera Capital*, *First Imagine Ventures* & the *Israel Innovation Authority* for its antibody-based bioinsecticide environmental-friendly nanobodies pest control products. *Bindwell*, AI to accelerate pesticide solution discovery, raised \$6M co-led by *General Catalyst* & *A Capital*, with participation from *SV Angel*. In Finland, *KÄÄPÄ Biotech*, mushroom product developer for the nutraceutical market & other markets, raised €9M led by *PeakBridge* & *Zintinus*. In the Netherlands, *SAIA Agrobotics*, greenhouse automation solutions, raised €10M led by *Check24 Impact*, with participation from the *EIC Fund*, *Navus Ventures* & *Oost NL*. Private label food & beverage producer *TreeHouse Foods* was acquired for \$2.9B by *Investindustrial*. *Clearstone Capital* bought *Brüst Beverage Company*, a producer of ready-to-drink protein coffee. *Eshbal Functional Food* signed a definitive agreement to acquire a majority stake in *Dare to Be Different Foods*, frozen food products, after signing a letter of intent earlier this summer. *Albertsons-Safeway* will buy the family owned Sitka, Alaska grocery locations of the *Hames Corporation*. A well-known regional grocer, *Hitchcock's Market* in North Florida, sold & closed its final stores. Food & beverage operations technology supplier *Odeko* expanded its dairy portfolio by acquiring the *Dairy Distributing* in Bellingham, WA, from *Troia Foods*. *Pure Flavor* acquired a new, state-of-the-art nearly 200K sq. ft. distribution center in Romulus, MI. *Midas Foods International*, dry-blend solutions maker, acquired *Georgia Spice* & *The Doug Jeffords Company*; the combined companies will be branded as *Creative Spiceworks*. *McCain Foods* acquired *Penobscot McCrum*, its Maine potato processing facility & 130 employees; *McCrum* is a sixth-generation company founded in 1886. *Turnspire Capital Partners* & *AgraMarke Quality Grains* acquired *LifeLine Foods* & *ICM Biofuels*, which will be combined to form *The LifeLine Group*. *Sweetgreen* divested *Spyce*, its automated infinite kitchen tech, to digital food hall *Wonder* for \$186.4M. Forty-five location restaurant & pizza acquired *Tijuana Flats*, the 95-location Tex-Mex brand; the *Latitude Food Group* was formed to house both brands. *Paperboy Ventures* will launch a small fund with plans to deploy capital to eight brands over the course of 2026. Hamburg-based *Oyster Bay*, an *Oatly* investor, has closed its second fund at over €100M. The founder of

Miyoko's Creamery failed in a bid to purchase the company. *KDP* says it will realize \$200M in supply chain savings from the spinoff of its coffee business.

For *Loblaw's* 3rd QTR, revenue grew 4.6% & adjusted net earnings rose 8%. *Instacart* beat 3rd QTR top & bottom line estimates & provided upbeat guidance as order volume rose. *Lifeway* reported mixed 3rd QTR earnings with a dip in profit & free cash flow. At *Flower Foods*, 3rd QTR revenue rose on *Simple Mills* sales but earnings took a hit, dropping 39%. Despite hitting a revenue record in 3rd QTR, *JBS* reported lower income YOY. In 4th QTR, *Tyson's* total sales were \$13.86B, an increase of 2.2% & operating income was \$608M, up 19% YOY. *Hain Celestial* missed EPS targets, but 1st QTR revenue came in higher than expected; the company plans to reduce 30% of its SKUs. *Beyond Meat* reported a dismal 3rd QTR with a wider loss & weak forecast. Net revenue was lower in 3rd QTR as *Krispy Kreme* reported a \$19.44M loss, its third straight quarter with a loss. *Shake Shack* beat 3rd QTR earnings & revenue targets, the stock price rose on upgrades from *Loop Capital* & *Jefferies*.

Sprouts Farmers Market will open a new store in Centereach on Long Island, its first New York state location. *Harris Teeter* will add five stores across Florida, South Carolina & North Carolina. *Meijer* & *Target* (on 3000 items) report holiday price cuts while *Walmart* reports prices for Thanksgiving are 25% lower than last year thanks to our new President's policies! *Target* has implemented a new smile & wave policy if store personnel are within 10 feet of a shopper, hoping to add a bit more kindness into the world. *Amazon* will absorb all 100,000 *Whole Foods* employees into its core business. *Ahold Delhaize USA* completed the rollout of its proprietary digital & eCommerce platform for all five U.S. brands – *Food Lion*, *The GIANT Company*, *Giant Food*, *Hannaford* & *Stop & Shop*. *DoorDash* & *Coco Robotics* have expanded their partnership to scale autonomous deliveries to Miami; the two companies are already operating in Chicago & Los Angeles. *Airbnb* & *Instacart* will partner to pilot *Instacart* availability on *Airbnb's* app for vacationers. In Taiwan, *7-Eleven* opened its ninth unmanned location. *Morrisons* confirmed that 145 sites across the UK will close in 2025 as part of a sweeping operational overhaul. *Save Mart* will introduce a private label meat line. *Midwest Yogurt*, the newly formed division of *Lactalis USA*, debuted *:Ratio Pro-Fiber* balancing 20 grams of protein, 10 grams of fiber & zero grams of added sugar in several flavors. *Danone's Too Good & Co* will expand into creamers, a new category for the low-sugar yogurt brand. *Saputo* brand *Frijo Cheese Heads* added two new cheese varieties to its cheese stick snack line. *Hero Bread* has expanded into *Walmart*. *Dr. Praeger's* launched a plant-based *Grillhouse Burger* line at *Whole Foods*. *My/Mochi* will launch a Dubai chocolate offering. *Laird Superfood* will discontinue *Picky Bars*, the healthy snack it acquired for \$12M in 2021. *Krispy Kreme* is adding nine new flavors. *Land O'Lakes* & *Microsoft* will partner on co-developing AI-powered tools to optimize agricultural operations, maximize yield potential & mitigate risk. will build a new prepared foods 300K sq. ft. facility in Walker County, GA, investing \$400M & employing 630 people when fully operational. West Texas A&M University will build a research feedlot complex, a \$15M investment expected to directly benefit beef producers in Texas & globally. *Kubota* & Norway's *Kilter AS* will pilot *Kilter's* precision weeder AX-1, a fully autonomous spraying robot for ultra-precise spot treatment of weeds in vegetable crops. *Coperion's Unifiller* launched a robotic cake decorator, the *HIRO Robot*, that can write, drizzle & create custom designs, ensuring consistent decorations that can boost a bakery's brand recognition. *Curve*, the new rebrand of Swedish biotechnology *Re:meat*, will expand its scalable protein manufacturing to more than faux-meat. More than 90% of the *American Bakers Association's* members have committed to eliminate certified FD&C colors from baked foods by the end of 2028. The Trump DOJ will investigate meatpackers for price fixing as beef supply prices fall but store prices increase. The Supreme Court reversed a lower court decision that the government must pay SNAP benefits, recognizing that the President runs the country, not judges with mediocre knowledge of the USA Constitution or the law! For the safety of our highways & supply chain, the Secretary of Transportation announced another 17K commercial trucking licenses issued to illegal aliens in California will be revoked! Congress closed a legal loophole that allowed THC products derived from hemp to be sold with new rules strictly limiting THC levels to no more than 0.4 milligrams per container; this is a win for beer & spirits makers who are already facing weak demand. *Nancy's Probiotic Foods* co-founder Chuck Kelsey died at age 87. *Walmart's* president/CEO Doug McMillon will retire at the end of January; John Furner, currently *Walmart USA* CEO, will take over. David Bell will lead the *1939 Group* that owns *Festival Foods*, *Hometown Grocers* & *Schnucks*. At *Tropicana Brands Group*, Paul Chibe succeeds Glen Walt as CEO. *Diageo* appointed Dave Lewis as its new CEO. *Calavo Growers* named John Lindeman president/CEO.

USA monthly online grocery sales totaled \$11.6B in October, growing 10.5% YOY, per *Brick Meets Click*; households ordering at least once in October rose nearly 13% year over year, reaching 83.3M orders placed, a record high. *Placer.ai* reports that *Grocery Outlet* & *Winco* are seeing traffic increases as shoppers look to discount outlets to purchase groceries. A new survey from data analytics firm *Qlik* reveals that 58% of Gen Z & 56% of millennials will use AI tools like *ChatGPT* or *Copilot* to plan, prep or cook their Thanksgiving meals this year, a higher rate than any other generation. From *PwC*, by 2030, 40% of consumers expect to utilize AI to compare products & 30% will turn over shopping decisions completely to AI. From *Rubix Foods*, 47% of consumers thought pumpkin spice was overrated with 25% opting for apple spiced flavors. Take & bake pizza alternatives are gaining ground as consumers try to avoid delivery fees with 17% of consumers making the switch, according to the *2025 Technomic Pizza Consumer Trend Report*; *Circana* reported the sales of deli pizzas rose 7.7% YOY. Florida growers are reporting high quality & higher yields in the early orange season. Strawberry prices are expected to rise as demand is exceeding supply.

MARKET NEWS: Despite record highs early in the week, markets tumbled by Friday. Eight Democrats broke with the communist/Marxist Democrat leadership to vote to reopen the government after 43 days, accepting the same resolution they voted 'NO' on 15 times, as the President once again delivered on his promises to the American people. The Administration announced trade deals with four Latin American countries, El Salvador, Argentina, Ecuador & Guatemala, which will lower tariffs on imports that are not available in the USA, including bananas & coffee. Oil prices came off recent lows to reach \$60 per barrel.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – Tom Malenka

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