



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

THE DATA IS OVERWHELMING & every rational human being who sees it agrees. Children, across all demographics, who grow up in households without a father present do worse in every aspect of life. They have higher degrees of incarceration & poverty; lower graduation rates & income. The stats for boys are the worst, which is immensely sad, frightening & disheartening. Any biological male (am I allowed to say that?) can sire a child, but that does not make him a father. A father brings qualities that protect, teach, stabilize & inspire the family. And while any person can find themselves in a position of leadership, not all those in that position have the qualities of a leader.

THE QUALITIES: October 25th is the day that **ALL EARS!!** celebrates leadership. Our choice of this day is not random. On this day in 1415, Henry V delivered his St. Crispin's Day speech to his *Band of Brothers* at the Battle of Agincourt. It was on this day in 1944 when Commander Ernest E. Evans turned his tin boat Fletcher-class destroyer around to charge an overwhelming Japanese naval armada that intended to destroy the American Army as it was landing on the island of Leyte. Despite losing his ship & his life, Cmdr. Evans' actions caused the Japanese to believe they were at the disadvantage & they departed the battle. Cmdr. Evans' bold leadership saved the landing, the lives of countless young men, including a young PFC from the green rolling farms & dusty coal mines of Western Pennsylvania. So, every year on this date, **ALL EARS!!** discusses the art & qualities of leadership. A look at our major cities, at many of our states & at Washington DC itself is enough to make any citizen recognize the lack of leadership we have in our country today. That lack of leadership not only creates domestic strife, it creates instability across the globe. Instead of the best & brightest stepping into the arena of public service, it appears our country operates on the *Peter Principle* or the *Organization Septic Tank Theory*. In the course of human history (from an **ALL EARS!!**'s point of view), there have been four truly great & exceptional leaders. They share many similar qualities; have a few differences; but all four were in their leadership roles when a free, just & sane world was in the balance. Three made things right, one actually needing to do it twice! The fourth was a visionary who warned everyone of what could happen, preventing that which could be, only to be quickly proven right after departing the role! All of them had enemies, domestically & internationally. These were not just enemies who wanted them replaced in their positions of power, these were enemies who sought their actual demise, personally & politically. All of them were well-educated & eloquent speakers. Two were incredibly elegant in their words, one of them had the ability to choose a perfect combination of words to not just fit the situation, but words that remain timeless today. The other two were more straightforward speakers with a willingness to go toe-to-toe with their critics & their country's enemies. From former University of Notre Dame President, Thomas Hesburgh, "*The very essence of leadership is that you [must have] vision. You can't blow an uncertain trumpet.*" All four leaders sought peace. Sadly, three of them had to do it as commander of their respective country's armies. One made peace through strong, powerful, artful & masterful negotiations. Most importantly, none of them placed themselves above the people. Their words & actions not only demonstrated they were with the people & understood their issues, problems & fears; but that beyond being in the fight with them, they were in front of their people, taking the slings & arrows intended to break the will of the populace. From economist John Kenneth Galbraith, "*All of the great leaders have had one characteristic in common: it was the willingness to confront unequivocally the major anxiety of their people in their time. This & not much else, is the essence of leadership.*" All four of these leaders, through their mere presence, will & belief that right shall prevail, inspired their people & moved their societies forward. From President Harry S Truman, "*In periods where there is no leadership, society stands still.*" As we look around our society today with its broken economy, broken families, broken morals & broken cities; with the hedonistic self-centered focus of an indoctrinated technology-forward populace & the disregard for traditional education & values, it is no wonder society seems at best, to be at a standstill. At worst, we are seeing the very crumbling of civilization led by weak, self-serving corrupt leaders who have steered us closer to Armageddon. In several Bible scriptures, the people are told that if they lose God, their leaders will turn against them. The people are warned that if they lose their values, they will, as we see today, get the kind of leaders that they deserve. History shows us that there were times in history when society's values & behavior deserved them the best leader that they *needed*. Perhaps a return to these values will deliver to us the kind of leader good people deserve, thereby preventing *the really big chunks from rising to the top of the septic tank!*

INDUSTRY NEWS: Athletes invested in *Yerbae Brands* & *Slate Milk*. *Pop-up Bagel* has closed an \$8M round led by *Stripes*. *Iya Foods*, food manufacturer of gluten-free mixes, spices, vegetable powders, etc., received an undisclosed investment from *Clover*

Vitality & Cleveland Avenue. Robotic drink maker *Sidework* (formerly *Backbar*) brought its total funding to more than \$10M in an undisclosed round led by *Cherubic Ventures* with continuing participation from *Finistere Ventures*, *SOSV*, *Outlander Labs* & *Pathbreaker Ventures*. Germany's *GoodBytz* raised €12M led by *Oyster Bay* to expand its *Robotic Kitchen Assistants*. France's *Amatera* raised €1.5M led by *PINC* for its seed tech resistant coffee. Germany's *FarmInsect* raised €8M for its insect livestock feed; the round was led by *Sandwater & Bayern Kapital*. *GrubMarket* acquired *PA China Farm*, a wholesale distribution business based in Philadelphia specializing in exotic goods. *Benford Capital Partners* purchased *RP Foods*, a branded, private label & B2B Hispanic food & beverage company; terms were not disclosed. Condiments manufacturer *SVB Foods* acquired *Vita Specialty Foods* to expand its private labeling & licensing programs & adding prepared seafood products, marinades, sauces, rubs, desserts & more. Food manufacturer *The Compleat Food Group* acquired organic, plant-based cheese producer *Palace Culture*; terms were not disclosed. Agtech company *Ever.Ag* acquired AI data science firm *Austin Data Labs* to support its suite of agriculture technologies. Agtech microbe & genome company *AgBiome* may shut down operations after failing to find funding. *HelloFresh* will buy back \$158M in stock. *Campbell's* \$2.7B purchase of *Sovos* is delayed as the FTC is investigating.

Amazon rebounded to beat 3rd QTR revenue & earnings projections. *Nestlé* reported across category sales growth through 3rd QTR & will pull back on price increases. *Hershey* beat 3rd QTR top & bottom line, affirmed full year guidance but the stock dropped on the weight-loss drug fears. *Keurig Dr Pepper* posted solid results in 3rd QTR results on gains from continued brand strength & significant price increases. *Coca-Cola* beat 3rd QTR estimates & raised full year guidance as volumes increased despite price hikes. *Heineken* had down 3rd QTR volume but sales rose on price hikes. *Simply Good Foods*, parent of *Atkins* & *Quest Nutrition*, grew net sales 17% during 4th QTR. *Gruma USA* saw positive 3rd QTR growth as the tortilla business drove results. Global market fluctuations led to a down 3rd QTR for *ADM*; the stock price fell to a 52-week low.

Natural Grocers by Vitamin Cottage added a 5th store in Washington state. *Heritage Grocers Group's El Rancho Supermercado* will open its 29th store in Dallas. *Shoptite* will close several stores in the Albany, NY, area due to poor performance. *Schnuck Markets* will partner with cloud-based software company *Procurant* to implement its perishable management platform. *Price Chopper/Market 32* will expand its partnership with *Invafresh* to reduce food waste. *Lenny & Larry's* will introduce *Dip'd Wafer Bar*, a crunchy wafer bar with creamy filling & dipped in chocolate. *Emmi Roth* debuted *Athenos Whipped Feta Dip & Spread*. *KDP* will sell & distribute *Electrolit*, premium hydration beverage, in an agreement with *Grupo PISA*. *Alaska Airlines* & *Stumptown Coffee* will partner on coffee for in-flight service & airport lounges. *Kraft Heinz* has expanded its partnership with *Taco Bell*, becoming the primary manufacturer of *Taco Bell's* branded retail products, including sauces, taco dinner kits & more. *Coca-Cola* is reportedly heavily following the market for weight loss drugs like *Ozempic*. Food processing distributor *Nelson-Jameson* will partner with plant-based & fermenting concerns *Vaess & Lallemand Specialty Cultures* to meet growing customer demand for plant-based & hybrid products. *Alveo* & *Corteva* will partner to expand availability of *Alveo's* molecular sensing & disease diagnostics tech for crops. E-scooter maker *URB-E* rebranded as *Llama* to focus on urban last mile urban logistics. *Grocery TV* is offered at 4,000 stores with 20,000 displays at entrances, check-outs & pharmacies. *JBS* will update its logo & branding. *KDP* will invest \$100M to expand its South Carolina manufacturing facility. *Giant Eagle* is searching for a new headquarters as workforce shifts have changed space needs. *Louis Dreyfus* will build a soybean processing facility in Ohio in 2024. *The Cheesecake Factory* acquired a 37-acre site in Charlestown, IN., for a new facility to expand distribution. *ADM* is rethinking its \$300M plan to expand production of alternative proteins as consumer appetite for plant-based foods wanes. *Target* owned *Shipt* will cut staff as the market for its services changes. Tufts University has launched a *Food is Medicine Institute* at the Friedman School of Nutrition Science & Policy. *Rite Aid* received court approval to pay \$138M owed to suppliers. *Smashmallow* was awarded \$21M in a lawsuit with an equipment manufacturer that failed to deliver on its promises. *Kellogg's*, *General Mills*, *Nestle USA* & *Kraft Heinz* are suing for more than \$110M in damages from USA egg producers for price collusion.

From *Circana*, 49% of consumers snack more than three times a day. From *PYMNTS*, 44% of consumers are interested in AI doing their grocery shopping. From *Goldman Sachs*, beverage sales are growing at a lower rate, continuing a trend. Organic fresh produce grew slightly in sales & volume for the 2nd QTR in a row per the *Organic Produce Network*. From *FMI* & the *American Frozen Food Institute*, volume in the once growing frozen segment has taken a 5% hit since July as inflated prices take hold. From the USA Bureau of Labor Statistics, the cost of Halloween will be 13% higher this year. Per the USDA, inflation is fueling people's food insecurity. El Niño has driven cacao prices towards record highs.

MARKET NEWS: Markets crumbled this week entering correction territory; the treasury rate rose above 5% for the first time in 16 years. The early GDP was reported at 4.9%, driven by what may be short-lived increases in consumer spending due to higher prices, inventory increases & a rebound in building starts after a nine-month lull.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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