



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



THE SUMMER OF 1968 was like every other grade school summer that I described in last week's *ALL EARS!!* There were bikes, baseball & trips to the library with my sister for books to read. On a rainy day I would watch *Dark Shadows* & old movies on the *Afternoon Prize Movie!* When there were no other kids to play with or hang out with, I would take my glove & a baseball into the front yard & spend endless hours playing catch against the front porch's cement steps. A pitch between the third & fourth step was a high strike; a pitch between the second & third step was a low strike. I emulated the great pitchers of that summer because 1968 was, after all, the *Year of the Pitcher*.

YEAR OF THE PITCHER: For most of my life, I was a huge sports fan. As a kid, I devoured every statistic, read every news story, watched or listened on the radio to every game & on Saturday afternoon sat down in front of the TV to watch the *Game of the Week* & whatever the *Wide World of Sports* was airing - boxing, bobsledding, soccer, Formula 1, NASCAR, billiards, ski jumping, ice skating & more! As an adult, we held season tickets to the Indians, Browns, Stanford football & Michigan football. We attended all forms of college sports - men's & women's soccer, basketball & water polo, as well as baseball & softball. But a dozen or so years ago things began to change. Tribalism meant not just rooting hard for your college team, it suddenly meant agreeing politically & socially with the other fans of the team. The game was no longer just about taking the ball right down the field, it was about taking the ball down field with the supposed 'correct & agreed upon' societal views! In 2017, racism made its way to the NFL in the form of an unemployable, diminished skills quarterback who refused to stand for the National Anthem, called the police names & screamed about social justice. Then, in 2020, after another of the many media-led race scams, other professional teams began to take up the social justice cause. They began to play a phony national anthem, downplayed patriotism, allowed men into women's sports, changed team names, moved the MLB All Star Game because of a voting law to protect elections (then hypocritically returned there this week despite the voting law still being in place) & allowed every athlete to spout their opinion of politics & justice! Just earlier this very year, one team even flew a 'social cause flag' during the National Anthem! The Covid-scam, as well as a general decrease in athlete skills & endurance, led to rules changes, especially in baseball, which have destroyed the integrity of our National Pastime. So I wasn't watching the MLB All-Star Game when it ended in a tie that led to a bush-league home run contest! It summed up the degradation of sports over the last 10 plus years. Just look at the difference in pitchers between 1968 & today: In 1968, there were no pitch counts, specialized relievers, pitch clocks or designated hitters. In 1968, Luis Tiant, playing for our mediocre Indians, could have had one of the finest years any pitcher ever had! He had a 1.60 ERA, going 21-9. He led the league in shutouts, pitched 19 complete games & struck out more than 1 hitter per inning! But this was 1968! Denny McClain won 31 games, pitched 336 innings & completed 28 games! And while his Tiger teammate Mickey Lolich had a slightly less stellar year, it was Lolich who would pitch & win three complete games in the 1968 World Series & be the World Series MVP. At one point in the 1968 season, Tiant threw four straight complete game shutouts, a remarkable & unheard of feat, except in 1968! Bob Gibson threw five straight complete game shutouts & Don Drysdale threw six straight! And it was Gibson, despite losing to Lolich in the historic World Series Game 7, who had the best year! He posted a 1.12 ERA & threw 28 complete games! But it was one 12-game streak that became legend. During June & July, Gibson went 12-0 with 12 complete games, pitched 8 shutouts (five consecutively), threw 108 innings, struck out 91, gave up just one home run & posted a 0.50 ERA! 1968 was baseball in its purest form & despite rising tensions on college campuses & inner cities, there were no social justice issues, only competitiveness on the field. As young fans, we wanted every player's baseball card & rooted hard for our favorite players to excel. We rooted as hard for Gibson, Tiant, Mays, Aaron, McCovey & Clemente as we did for Yaz, Colavito, Mantle, Rose & a couple of rising stars named Johnny Bench & Tommy Seaver. Bob Gibson was the fiercest competitor to ever walk on the baseball field. He would never have accepted a home run hit-off at the end of a nine inning game; he would have taken the mound & pitched another nine innings if needed. If a runner were to have been automatically placed on second base at the top of tenth, Gibson's first pitch would have been a bean ball to the head - of the runner on second base! If there were a pitch clock, his first pitch would have hit the timekeeper - he needed time to glare at the hitter & stare him into submission. And the Good Lord only knows what he would have done if someone tried to play seven inning doubleheaders or reversed a call due to instant replay! Also, why do we need bigger bases in baseball? Eddie Murray somehow managed to step on first base for a put-out more than 21K times in his career & he is only 4th on the all-time list! Rickey Henderson stole 1406 bases, Lou Brock stole 938 & Ty Cobb stole 897; all were able to grab a smaller base & were not wearing sliding gloves! Baseball & other sports have fallen into the trap of the rest of society - altering rules & lowering requirements to reduce the true competition & quality so more people can participate & feel good about themselves! As a result, we get men in women's sports, unskilled thugs in the WNBA & a helping hand in the tenth inning with a runner on second base. This has happened everywhere - businesses, schools, our military, politics, movies & even on the Supreme Court! As a nation, as a society & as a people we can only survive & achieve our greatness, reach our destiny, when people compete at the highest level against the toughest competition with unadulterated rules. This is true in sports, in business & in life! This is how we reached the moon & will soon land on Mars. This is how we won two World Wars & today will ensure peace in the world. This is how we built the cities, roads, industries, financial systems & a government that are the envy of the world & how we will continue to thrive! And it is how we created legends - in sports, in business, in science, in the military. No one will remember the name of the player who was handed second base in the tenth inning, the pitcher who was removed from the game in the third inning due to his pitch count, or the student who got through high school, college & maybe found a job only because the standards were lowered! From American inventor & engineer Charles Kettering, "*High achievement always takes place in the framework of high expectation.*" Yes, getting to second base on your own is harder than stepping out of the dugout & kicking that bigger bag. And using more pitchers in an extra inning game may come at a cost of tired & sore arms. The great industrialist Andrew Carnegie understood the cost of competition & its rewards: "*The advantages of this law [of competition] are greater still than its cost - for it is to this law that we owe our wonderful material development, which brings improved conditions in its train. And while the law of competition may be sometimes hard for the individual, it is best for the race, because it ensures the survival of the fittest.*"

INDUSTRY NEWS: *Spindrift* raised an undisclosed amount from athlete investment company *Patricof*. *Hummus* brand *Little Sesame* raised \$8.5M led by *InvestEco Capital*. *Peace Coffee* raised \$1.4M from undisclosed investors. *Awake Chocolate* raised \$5.84M from *Btomorrow Ventures* & *BDC Capital*. In the UK, functional beverage brand *Goodrays* raised €5.7M led by *Guinness Ventures*. Tortilla chip maker *Zack's Mighty* raised \$4.5M. *Lexington Bakes* raised \$1M. *Big Idea Ventures* invested in seven foodtech startups with its *Global Food Innovation Fund II*; the companies involved produce fermentation-driven oils, chocolate

alternatives, gluten-safe baking solutions & more. In Australia, *Eclipse Ingredients*, precision fermentation to produce human lactoferrin, raised \$5M from the commonwealth government's *Food & Beverage Accelerator*, *AgFunder* & strategic angels. Indiana-based animal microbiome technology company *BiomEdit* raised \$18.4M for its probiotic to fight broiler chicken bacterial afflictions; the round was led by *Anterra Capital* with participation from *Nutreco*, *AgriZeroNZ*, *Elevate Ventures* & *Betagro Ventures*. *H2OK Innovations*, AI sensors for food manufacturers, raised \$12.4M led by *Greycroft*. Seattle-based *Zucca*, generative AI to help CPG companies streamline product development, raised \$5M led by *Acre Venture Partners* with *PSL Ventures*, *AIStudio Fund* & *Sugar Mountain Capital* involved. In Norway, *Remora Robotics* raised €13.9M to scale its AI salmon-net cleaning capacity. On the heels of its *WK Kellogg* acquisition, *Ferrero Group* is looking to acquire candy & chocolate manufacturer & distributor *CPK Group* from global investment group *Eurazeo*. *Dessert Holdings* is expanding its portfolio of premium desserts with the acquisition of *Willamette Valley Pie*. *Mizkan America* acquired cocktail mixer brand *Zing Zang* from *NexPhase Capital*. Idaho's *J.R. Simplot* acquired Belgium's *Clarebout Potatoes*, adding 23 production locations. *Eshbal Functional Food* is continuing to scale its North American presence with a binding letter of intent to acquire a 55% interest in *Dare to Be Different Foods*, New York. Oats brand *ZEGO* bought a gluten-free & organic grain processing plant, along with land & equipment, from *Montana Gluten Free Processors*. Indian tea producer *Luxmi Group* acquired a majority stake in UK-based specialty tea brand *Brew Tea Co. Miner's*, which operates 31 supermarkets in the Upper Midwest, will buy all three grocery store locations operated by *S&R Quisberg*, including two *Cub Foods* & one *Supervalu* store. Japan's *Denso Corporation* acquired Netherlands-based *Axia Vegetable Seeds*, a developer of high-yield tomato seeds for greenhouses. *US Foods* is reported to be evaluating the acquisition of rival *Performance Food Group*; an acquisition would create the largest USA foodservice distributor. Reports are surfacing that *Kraft Heinz* may be looking to split up its business. The *Marfrig* & *BRF* merger deal was postponed as Brazilian regulators continue to investigate. Canada's *Alimentation Couche-Tard* pulled its \$46B bid to buy *Seven & i Holdings*, saying the Japanese retailer refused to engage constructively on the deal; the deal would have been Japan's largest ever foreign buyout.

Albertsons beat 1st QTR expectations due to digital sales & pharmacy sales. *Walmart Mexico's* profit dipped 10% in its latest quarter, despite an 8% growth in revenue. *PepsiCo* beat 2nd QTR estimates & confirmed full year expectations. *UNFI* is reporting the recent cyberattack will have cost at least \$350M in sales & possibly as much as \$75M in income.

Sprouts Farmers Market, with plans to open 35 new stores in 2025, will open new locations in Texas, Nevada, Tennessee & North Carolina over the next few weeks. Asian-focused market *H Mart* is planning to enter Florida in Orlando. *Lidl* is opening a new store in Bowie, MD. *Yesway* has opened four new *Allsup's* stores in Oklahoma & New Mexico. In SoCal, 45K *Albertsons* workers across all banners ratified a new labor contract. *Walmart* will eliminate hundreds of store-support & training jobs to simplify its structure. *Food Lion* added *Flybuy* pickup app, completing the rollout across all *Ahold Delhaize* banners. *Kroger* aligned its Houston & Dallas divisions into one Texas division. A new app, *Grocery Dealz*, is a grocery eCommerce marketplace that allows consumers to compare prices in real time between grocery stores & quickly build a cart. White-label eCommerce platform for the retail food industry, *eGrowcery* & *Red Pepper*, a provider of interactive digital experiences, will partner on attracting, engaging & retaining customers for retailers using advanced digital experiences. *Kraft Heinz* & *NotCo* are launching a spicy mayonnaise & a portable-cup version of their *Kraft NotMac* & *Cheese*. *Bakehouse Bread* launched an LTO *Coconut Key-lime Bread*. *Quinn Snacks* is rolling out an all-new brand refresh. *Dar Baklava* rebranded its *Snaklova* snack line & added new offerings. *Kate Farms* has added strawberry & chocolate protein shakes. *Conagra* is launching frozen *Banquet Mega Chicken Filets*. *Catalina Crunch* is launching three new protein granola SKUs: honey cashew, peanut butter & vanilla almond. *David Bar*, perhaps to take attention off the poor quality of their ingredients or the pending lawsuits for acquiring their supplier, launched an overpriced wild-caught frozen cod SKU online, proving they have money to blow on nonsense! Celebrity-backed *Jams*, peanut butter & jelly sandwiches with 10 grams of protein & no high-fructose corn syrup, will launch exclusively at *Walmart*. *Liquid Death* will launch an energy drink early next year. Irish dairy product producer *Truly Grass Fed* expanded its USA distribution through *Publix*, *Natural Grocers* & *H-E-B*. In Austria, *McDonald's* took its *McPlant* burger off the menu due to lack of consumer interest. *JBS* is planning to invest \$7M toward a livestock traceability program in Brazil. Pork processor *Clemens Food Group* will invest \$130M to renovate & expand its Hatfield, PA, processing facility. *Standard Meat* will open its fifth production plant, located near the company headquarters at the *Fort Worth Stockyards*. *King's Hawaiian* will invest \$54M to expand its Georgia operations. *Pladis Global* will invest £68M to expand its UK operations, updating facility infrastructure & adding more automated production lines including a new chocolate molding line. *CHS* will permanently close the largest grain elevator in the Twin Ports of Superior, WI & Duluth, MN. *PepsiCo* & *Cargill* will invest in regenerative agriculture practices in Iowa. Our President, in his concern & care for every American's health, continues to pressure *Coca-Cola* to use pure cane sugar in its products as opposed to high-fructose corn syrup. Through the International *Dairy Foods Association*, 90% of USA ice cream makers are pledging to remove artificial dyes by 2028. The FDA approved a naturally-derived color additive, *Gardenia* (genipin) blue derived from the gardenia fruit. To fight foodborne illnesses, the USDA & Secretary of Agriculture Brooke Rollins opened a new, modernized Midwestern Food Safety Laboratory in Normandy, MO. The FDA has revoked 52 obsolete & unnecessary standards for fish, dairy, baked good, canned fruit & veggies. The DOJ is suing California due to their unreasonable & unnecessary regulations that are artificially driving up egg prices. Texas will investigate *Mars* for failing to work to remove artificial food dyes. *Danone USA* is voluntarily recalling 17 varieties of *YoCrunch* yogurt sold nationwide due to the potential presence of plastic pieces. New York City is planning to artificially raise wages for grocery delivery workers as opposed to allowing the free market to set the rate. The European Union is considering banning the use of meat-like terms for faux plant-based meats. One CPG industry trade magazine published an article with suggestions on how grocery stores can protect their illegal alien workers from ICE; please note: protecting illegal aliens & hiring illegal aliens is a federal crime. *Diageo* CEO Debra Crew has stepped down by mutual agreement after two years.

Walmart topped *Amazon* & all other retailers in the *National Retail Federation's 2025 NRF Top 100 Retailers* list compiled by *Kantor*; *Walmart* had \$568.7B in 2024 sales while *Amazon* placed second with \$273.7B in sales. USA online grocery sales totaled \$9.8B in June, a 27.6% YOY increase (per *Brick Meets Click/Mercatus*) with all channels showing gains. From the *Private Label Manufacturers Association* & *Circana*, private label sales in 8 out of 9 store categories took market share from national brands. From *Innova Market Insights*, health & well-being is the top global spending priority for consumers, with 23% of consumers indicating they choose food or beverages that contain health-boosting ingredients. Fresh fruits & vegetables index prices rose just 1.1% in June. Spring wheat production is forecasted to be higher than expected.

MARKET NEWS: Markets were mixed for the week, the DOW lower & the Nasdaq & S&P higher. The Nasdaq & S&P 500 hit new intraday & closing records as the week progressed. Retail sales rose 0.6% in June, 3.9% YOY. The CPI & core CPI for June were slightly higher at 2.7% & 2.9%, but lower than estimates. The Producers Price Index came in at 0.0% for June showing no rise in producers' costs, less than expected & boding well for future inflation decreases. From the first round of earnings, profits are up & tariff costs are being absorbed, which was exactly what this newsletter expected! Also, import prices in June were below expectations, proving once again that tariffs will only benefit Americans. Jobless claims came in lower than expected. Building permits & housing starts were higher than expected. Congress passed a \$9B recissions package that stops taxpayer money from being used on radical propaganda like *NPR* & *PBS*, & other radical domestic & international destructive causes.

SEEDS, SPROUTS, GROW: HARVEST!

THE LITCHFIELD FUND — *Tom Maloney*

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